Daily Report

Latin America

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FBIS-LAT-94-059 *28 March 1994*

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Colombian President Elected OAS Secretary General

Central Americans Back Costa Rica's Niehaus

PA2603021894 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 26 Mar 94

[From the "24 Hours Newscast"]

[Text] The "24 Hours Newscast" consulted some Central American foreign ministries—that allegedly support Bernd Niehaus [Costa Rican foreign minister]—on the candidate for whom they intend to vote in the election for secretary general of the Organization of American States. Some of the Central American officials charged that they are being pressured by the United States to change their vote.

The first country consulted was Costa Rica, home of Foreign Minister Niehaus—President Cesar Gaviria's closest rival. Here they are already claiming victory.

[Begin recording] [Jose Joaquin Chaberry, unidentified Costa Rican official] We are certain we will win. We are very certain of this. We have reiterated this during the past months and the past days....

[Unidentified reporter, interrupting] But do you believe pressure is being exerted?

[Chaberry] I repeat Foreign Minister Niehaus' words: If there is pressure, we will report it. [end recording]

El Salvador maintains its position to support Niehaus, although Deputy Foreign Minister Rafael Alfaro said they are being pressured to favor President Cesar Gaviria.

[Begin recording] [Alfaro] We continue, nevertheless, with our firm support for Foreign Minister Niehaus.

[Reporter] Mr. Deputy Foreign Minister, is it true that there has been pressure on the part of the U.S. Government on the Central American nations?

[Alfaro] During a meeting we held several days ago in Mexico City, an English-speaking nation said it had been directly pressured by other nations interested in garnering support for President Cesar Gaviria's candidacy.... [end recording]

Honduras, a nation recently visited by President Cesar Gaviria, expressed a great deal of liking for him, but it supports Niehaus because a prior commitment had already been made with him.

[Begin recording] [Protocol Director Ricardo Alonso Florez] We believe that in the first round the Central American nations will vote for the Costa Rican candidate, because he is Central American. Eventually, if there is a runoff election, a different decision could be made. [end recording]

Gaviria Said To Have Needed Votes

PA2703034194 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 27 Mar 94

[From the "TV Today" newscast; passages within quotation marks recorded]

[Text] This evening, President Cesar Gaviria reportedly has the votes he needs to be elected OAS secretary general. Nevertheless, diplomatic sources do not believe President Gaviria will attain the needed absolute majority of votes during the first round of balloting by the OAS foreign ministers.

Tomorrow in Washington, 34 OAS member-nations will elect the seventh OAS secretary general. Colombian President Cesar Gaviria and Costa Rican Foreign Minister Bernd Niehaus are the strongest candidates to replace Brazilian Joao Baena Soares as secretary general.

[Soares] "The most important thing for me is to complete my term in office by following the principles I established for myself from the very beginning."

On the eve of the elections, President Gaviria seems to be leading. Gaviria has the support of 16 countries, three more than his closest opponent—Foreign Minister Bernd Niehaus.

[Niehaus] "There are no blocs, and there are no secret commitments. We are only committed to ensuring respect for the OAS Charter."

To win the election, a candidate must receive an absolute majority of all votes cast—in other words, 18 votes to keep the election from going to a second round.

[Former Colombian Foreign Minister Augusto Ramirez Ocampo] "If logic prevails, President Gaviria will win. Gaviria is a president, whereas Niehaus is a foreign minister. Gaviria also has the support of the largest countries on the continent."

Whoever the winner is, he will face the great challenge of reviving what many international analysts have described as a moribund organization.

[Analyst Diego Uribe Vargas, identified by caption] "Whenever it can, the United States disregards inter-American laws and principles, beginning with nonintervention, which is the first and foremost rule."

Experts say the new secretary general must bolster the OAS profile, making it stronger in the face of the U.S. Government. Many believe the OAS is excellent in theory, but that does not work in practice.

[Colombian Foreign Minister Noemi Sanin] "The new secretary general must have the discipline and commitment to work for everyone while excluding no one, especially those that need help the most."

This evening the Colombian foreign minister was working hard to ensure the votes of two undecided countries to lock up the 18 votes needed by President Gaviria.

Gaviria Speaks on Winning Election

PA2703204394 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1736 GMT 27 Mar 94

[Speech by Colombian President Cesar Gaviria from Narino Presidential Palace in Santa Fe de Bogota marking his election as OAS secretary general; broadcast in progress—live]

[Text] ...it has been confirmed a Colombian has been elected to the post of OAS secretary general. The ideals of Bolivar, Jefferson, Marti, Juarez, Morazan, San Martin, and all those who fought to make America a great nation compel us to see this commitment as the continuation of our liberator's task. In addition, we see it as a recognition of the common identity and joint ideals of all Americans. They also compel us to receive it as an expression of friendship for and trust in a modern and renewed Colombia, something that fills us with pride and gratitude.

The community of American nations has considered the modernization of our institutions, renewal of our social, economic, and commercial structure, and expansion of political and civil rights; in sum, the commitment and effort to put Colombia in step with the times. With the support of all, we will devote ourselves to the task of starting a new era in hemispheric relations.

You can rest assured that since we accepted the nomination, we clearly understood what would entail the challenge of redesigning the future of the inter-American system. We have an unyielding and firm commitment to integration. We wish peace, democracy, protection of human rights, justice, and liberty. We hope for the expansion of commerce and economic welfare. These aspirations will undoubtedly strengthen the American union and will be put at the service of the unavoidable and collective destiny of all our peoples.

My commitment. Under current circumstances it is to serve the continent. The time has come in which the OAS has ahead of it the responsibility of setting new paths within the context of a changing world, which is demanding the articulation of new international relations, more egalitarian, with more solidarity and a higher awareness of the capacities and needs of every region.

This is one of those rare moments in history in which we are called to respond with courage and creativity to a great opportunity. The Cold War is over. It is not sufficient to talk of a new world order; in fact, this is unavoidable. Our challenge is to mold it so that the initial euphoria, which has vanished now, will generate hope and a clear path instead of yielding to uncertainty and confusion.

I will promote an integrating OAS that joins, unites, complements, and turns into the catalytic agent that joins the processes and initiatives of economic liberation and commercial integration the hemisphere is experiencing.

The Bolivarian dream of unity should also be reflected in the creation of a great free trade zone that links the immense territories from Alaska to Patagonia and shows the world the greatness of an America that supports itself in its untold resources and its multiethnic and multicultural nature. From that prostrate America with an outstretched hand that regretted its own destiny, we have witnessed a birth, a new and second opportunity, a new hemisphere that is demanding solidarity and cooperation, equitable commerce, and development and struggles against poverty for the sake of equality and dignity.

A conjunction of interests has been born, filled with autonomy and values, proud of itself and assured of its future, which is already holding fluid and dynamic talks with the European Union, the Asia of the Pacific Basin, Africa, and other world regions. They, the Americas and the Caribbean, recognize the virtues of mutual cooperation, the need to take everywhere—on islands and the mainland—the progress and benefits of new and productive alliances for development.

The new OAS will preserve, defend, and reinforce the prevalence of human rights, democracy and its freedoms, while respecting the identity, aspirations, and path chosen by each people who will have in the OAS an unconditional ally in the defense of their institutions. Today more than ever, our countries are legitimizing their institutions, reaffirming their democracies, and proclaiming new constitutions which reiterate the American ideal of freedom, justice, and equality.

We plan to transform the OAS into a major forum in which every nation, especially those truly in need, will be able to discuss their cultures, achievements, and concerns, as well as their living conditions, in such a way that it will enrich cooperation agreements with our hemisphere. This will enable us to advance together as one, without differences or disputes. Our primary concern lies in coming closer together with each passing day and moving toward equitable and dignified standards of living for all of our brothers in the Americas.

Our natural resources—including the Latin American environment that stretches from the tundra, across seas and rivers, all the way to the pampa—are entitled to our best efforts to ensure their protection and conservation. It is our responsibility to our children and history to exhaust all means possible to prevent deterioration or uncontrolled exploitation.

In terms of my predecessor Joao Baena Soares, in the name of the three Americas and the Caribbean, I would like to acknowledge his relentless efforts over the past 10 years to uphold this organization's leadership and to transform it into a forum committed to consultation, overcoming difficult situations created by new and

fragile democracies. All of these efforts required a man of his temperament and his knowledge.

To my opponent, Costa Rican Foreign Minister Bernd Niehaus, as well as to all of the other candidates—of which I must mention Venezuelan Foreign Minister Miguel Angel Burelli Rivas and Mr. Carlos Iturralde from Bolivia—I would like to express my appreciation for their taking part in this outstanding and first-rate debate, which will undoubtedly enrich our future ideas. The final vote shows a willingness to unite and to move in a direction which, I dare say, demands we head toward action and renewal.

To my Colombian compatriots, I urge all of you to continue providing your support, because this new phase of the OAS represents both a victory and a commitment for us, as both Colombians and as Americans. Our Foreign Relations Ministry headed by Minister Noemi Sanin Rubio, who has conducted her duties with professionalism, devotion, and patriotism, deserves a warm acknowledgement from all of Colombia. Our diplomatic corps in Washington, the Americas, the Caribbean, and throughout the world, as well as all of those officials working abroad for the good of Colombia, have performed in a praiseworthy manner. Thanks to all of these people, our country will accept this honorable appointment which the president will receive once the constitutional regulations governing this matter are met and his mandate concludes on 7 August 1994—the date up until which I will direct Colombian's destiny as part of my official duties.

Alberto Lleras Camargo, the first OAS secretary general, interpreted the organization's commitment to integration, democracy, and progress with these words: We intend to transform the hemisphere into man's worthy sanctuary, employing his best attributes, and defending his liberty. This is our commitment also, just as it was yesterday, and just as it will continue to be tomorrow. Thank you.

Niehaus Reacts to Defeat

PA2703174594 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1638 GMT 27 Mar 94

[Interview with Victor Alarcon, Caracol Colombian correspondent in Washington, DC, by unidentified reporter in Santa Fe de Bogota—live relay]

[Text] [Reporter] Victor Alarcon is our special correspondent. What happened with the speech by Costa Rican Foreign Minister Bernd Niehaus? In Colombia, we are interested in learning the reaction. What happened?

[Alarcon] We are reporters, not diplomats; so we have to say the speech by the Nicaraguan foreign minister was rude.

[Reporter] Nicaraguan or Costa Rican?

[Alarcon] Pardon me, Costa Rican.

[Reporter] Niehaus.

[Alarcon] Mr. Niehaus. Pardon me.

[Reporter] That is fine.

[Alarcon] The speech was rude and arrogant. It was prompted, perhaps, by the agony of defeat. He called those countries colonies of an imperialist, namely, the United States. He said the best thing would be for the United States to handpick the new OAS secretary general. He withdrew irately from the hall, where the session continues.

The Argentine foreign minister spoke next to ask the assembly not to pay attention to the Costa Rican foreign minister's remarks, which were uttered in the agony of defeat. Those in attendance took that advice more seriously than Niehaus' statements.

The assembly continues. We will enter the assembly to be close to Foreign Minister Noemi Sanin, to carry her first reaction, given the fact she handled this campaign. She was truly the architect of the campaign of Cesar Gaviria Trujillo, who was elected the new OAS secretary general this morning.

Niehaus Condemns 'Certain' States

PA2703195194 Hamburg DPA in Spanish 1816 GMT 27 Mar 94

[Text] Washington, D.C., 27 Mar (DPA)—Costa Rican Foreign Minister Bernd Niehaus today angrily condemned the OAS members who reneged on their promise to back his bid for election as new OAS secretary general. Colombian President Cesar Gaviria won the election.

Niehaus said: Costa Rica "views as very worrisome the little respect that certain member states have demonstrated in these elections to acquired commitments."

He said: "Costa Rica on several opportunities listed the expressed backing it had, backing which was formalized in line with the most strict norms of diplomacy. At the polls there were some who simply discarded their word and honor, however, without showing Costa Rica the most elemental consideration of saying they were going to withdraw their support."

In leaving OAS Headquarters, Niehaus said until the last minute he had written promises of support from 21 countries, but received the votes of only 14. The original coalition included the six Central American countries, the 13 Caribbean English-speaking countries, and four South American countries.

Ecuador and Antigua and Barbuda, which had promised to support Niehaus, publicly announced before the voting they were going to back Gaviria, but because the voting was secret it was not possible to establish what other countries concealingly changed their votes at the moment of voting.

Niehaus accused the United States, not mentioning the country by name, due to its pro-Gaviria campaign. Niehaus accused it of "exerting pressure and resorting to all sorts of mechanisms and antics to force others into changing their votes."

He complained: "If this continues to be the OAS norm, it seems it would be better to forget formalisms and just allow the country at issue to continue to directly appoint the heads of all the posts. At least in this way we would be saving time, effort, rhetoric, and poetry about the respect accorded to states' sovereignty."

Niehaus said reproachingly: "We must always remember, however, a colony-type attitude by the weak is worse than an imperialist attitude by the powerful."

Niehaus Delivers 'Resentful' Speech

PA2703230094 Madrid EFE in Spanish 2037 GMT 27 Mar 94

[By Maria Luisa Azpiazu]

[Excerpts] Washington, 27 Mar (EFE)—Costa Rican Foreign Minister Bernd Niehaus, who ran against Colombian President Cesar Gaviria for the post of OAS secretary general, today struck a discordant note in an assembly which, in the end, congratulated itself for choosing "the best candidate."

Niehaus, who in fact congratulated Gaviria, who defeated him 20-14 in a secret vote, delivered one of the most resentful speeches heard at the OAS within the past few years.

According to what EFE could confirm in the hallways, although the speech did not diminish the organization's satisfaction over Gaviria's election, it took everyone by surprise, given the harshness of its vocabulary and the severity of its criticism, which at times teetered on being incredulously undiplomatic.

Colombian Foreign Minister Noemi Sanin termed Niehaus' speech "an emotional reaction," while, for instance, her Ecuadoran colleague, Diego Paredes, considered it "unfair and hardly elegant" and "a bad end to a good campaign."

Meanwhile, Argentine Foreign Minister Guido Di Tella disputed many of Niehaus remarks, recalling that "in a democracy, one must learn how to lose." Di Tella said he believed that Niehaus' criticism about being discriminated against "was extremely harsh and cannot be accepted." Even so, Di Tella stressed, "one must not place great importance on statements made in the din of defeat."

According to one South American diplomat who asked to remain anonymous, Niehaus "did not keep anything to himself, and, in his attempt to shake the structures, no one escaped his admonishment unscathed."

According to Niehaus, what occurred today "creates deep doubts over the alleged right every state has to aspire to posts within the inter-American system."

In his opinion, small countries "are denied access to the post of secretary general." He affirmed that in the OAS "large countries are first-class members, and, although they are fewer, they feel they should impose their will and criteria on countries they deem second-class members." This "hurts the system," Niehaus continued.

Later, Niehaus accused some OAS member-nations of showing "little respect" for the "commitments made" and, despite having promised to support Costa Rica, "they did not honor their word and integrity, without even having the consideration to advise the Costa Rican Government they would withdraw their support."

Within this context, the Costa Rican foreign minister assured that within the OAS "it will be difficult to ever again believe in a vote commitment." He added, "It is ironic that the OAS dispatches electoral observers to every corner of the hemisphere, and yet, within its own internal elections, it cannot guarantee that ethics and respect for prior commitments are observed."

Moreover, Niehaus went beyond simply criticizing OAS member-states in general, and, while referring to the United States without naming it, he contended it was "inadmissible and regrettable" that there are countries that "disregard the most basic respect for foreign decisions, devoting themselves to exerting pressure and resorting to all kinds of mechanisms and nuances to force others to swing their votes." [passage omitted]

Niehaus walked out of the room before the special assembly presided over by Chilean Foreign Minister Carlos Figueroa concluded.

[Mexico City NOTIMEX in Spanish at 2219 GMT on 27 March carries a 350-word report on the reaction of Costa Rican officials to Cesar Gaviria's 27 March election as OAS general secretary. Niehaus is quoted as saying in his speech that he wants to "ask OAS member-nations to reflect seriously on some of the issues that have come up in this election and what they might signify for the future of the Inter-American system." He says that the large member-nations of the OAS feel "it is their duty to impose their will and criteria on those nations they regard as second-class." NOTIMEX also says Niehaus "deplored the fact that some countries 'cast their votes overboard,' alluding to those nations that initially voiced support for him but later withdrew this support when it came time to vote."]

Colombian Foreign Minister Urges Unity

PA2703211394 Madrid EFE in Spanish 1931 GMT 27 Mar 94

[Text] Washington, 27 Mar (EFE)—Shortly after Colombian President Cesar Gaviria was elected to the post of

OAS secretary general today, Colombian Foreign Minister Noemi Sanin declared that now the election is over, "We are a single America, working united."

In statements to EFE, Sanin emphasized the "profound" importance of every country that took part in the vote. She stressed that, for Colombia, "there is no difference between those who voted for or voted against us."

In the Colombian foreign minister's opinion, we are now "an entire hemisphere working united, in solidarity, for the most noble of causes—the defense of democracy, the fight against poverty, and the safeguarding of all opportunities that arise, including those opportunities to promote free trade."

Sanin said that after she advised President Gaviria of the result of the election—20-14 in favor of Gaviria over his opponent, Costa Rican Foreign Minister Bernd Niehaus—the president asked her to express to his "gratitude and recognition" to all parties, as well as to convey his "highest praise to Joao Clemente Baena Soares for his performance in the post."

The foreign minister, however, was more ambiguous when discussing the post-election speech delivered today by Foreign Minister Niehaus—a very emotional speech that criticized some of the proceedings which, in his opinion, discriminated against the small countries. Foreign Minister Sanin limited herself to merely saying that this speech appeared to be "an emotional reaction."

Colombian Minister Cited on Vote

PA2803024094 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 28 Mar 94

[Report by Jesus Garzon from the "TV Today" newscast]

[Text] President Cesar Gaviria's election as OAS secretary general did not come easily. There were dramatic moments that jeopardized it throughout the process. Foreign Minister Noemi Sanin had to use all of her strengths to win the OAS Secretariat General for Colombia:

[Begin Sanin recording] There was a time when Foreign Minister Niehaus was leading. There was tension all the time. We, however, remained confident we would win, and finally, we garnered an absolute majority. [end recording]

The days leading up to the election also featured dramatic moments that were witnessed by many, from President Gaviria at Narino Palace to the Colombian delegation in Washington headed by Foreign Minister Noemi Sanin.

[Begin Sanin recording] We contained our anxiety while we confronted challenging moments over the past few days. We held countless talks on a daily basis. There were concerns, questions, and ideas; there were... [pauses] We had to outline our policies on countless occasions. [end recording]

Now that Gaviria has been elected, the question is whether he, as the new OAS secretary general, will work to lift the suspension that this organization imposed on Cuba in 1962 because of its political system.

[Begin Sanin recording] Colombia's current policy toward Cuba is sovereign and independent and is solely in keeping with Colombia's interests. President Gaviria's OAS policy should not follow Colombian policy but a policy common to the 34 nations that comprise the organization. [end recording]

Officials, Politicians React to Gaviria Election

PA2803041894

[Editorial Report] The following is a compilation of reports from regional sources on reaction from various Latin American officials and politicians to the 27 March election of Colombian President Cesar Gaviria Trujillo as OAS secretary general.

Colombia

Several Colombian presidential candidates have commented on President Cesar Gaviria's election to the post of OAS secretary general. AD/M-19 (19 April Movement Democratic Alliance) presidential candidate Antonio Navarro Wolff said he hopes Gaviria will act "independently and will actually serve as an OAS secretary instead of U.S. State Department secretary." Meanwhile, presidential candidate Enrique Parejo noted that the president's responsibility as head of the nation's foreign policy was inconsistent with his role of promoting his own candidacy as OAS secretary general. Presidential hopeful Miguel Maza Marquez congratulated Gaviria on his election victory, but he warned that regional "pro-integration policy" could be adversely affected by Gaviria's election. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 27 Mar 94)

Ernesto Samper, Liberal Party presidential candidate, today said in Santa Fe de Bogota that the OAS member-states' support for President Gaviria could help rid Colombia of an image tainted by violence and drug trafficking. Samper explained: "With this election, the countries have recognized Colombia's ability to lead on a hemispheric level." Samper noted Gaviria "will do an excellent job to strengthen the OAS." Meanwhile, Conservative Party Presidential Candidate Andres Pastrana Arango said the results of the OAS election represent "a recognition of Colombia's value within regional political processes." (Mexico City NOTIMEX in Spanish 1836 GMT 27 Mar 94)

El Salvador

Salvadoran leftist and rightist groups today called the election of Colombian President Cesar Gaviria as OAS

secretary general "positive." Joaquin Villalobos, one of the main leaders of the Farabundo Marti National Liberation Front (FMLN), said the election of the Colombian president "is a positive sign." He said Gaviria's election "established the need for Central America to continue moving down the path of intergration to defend its interests as a united region." Meanwhile, ARENA (National Republican Alliance) Deputy Rene Figueroa told NOTIMEX that Gaviria's election will bring "new brilliance and dynamism to the OAS." He predicted that, under a Gaviria administration, relations with the United States will be more cordial. (Mexico City NOTIMEX in Spanish 2237 GMT 27 Mar 94)

Guatemala

Jose Luis Chea, secretary general of Guatemala's Democratic Union, today said the election of Colombian President Cesar Gaviria as OAS secretary general demonstrates that large countries, such as the United States, continue to impose their will on the OAS. Chea, former president of the Group of 77, told ACAN-EFE that Gaviria's election demonstrates that "only large countries are permitted to hold the post of OAS secretary general." He concluded by saying the election only proves the United States is maintaining its influence over the OAS. (Panama City ACAN in Spanish 1646 GMT 27 Mar 94)

Nicaragua

Nicaraguan Deputy Foreign Minister Jose Pallais said Central America has once again had its hopes of guiding the OAS dashed. He said, "We are very pleased with the outcome, although Central America will continue to aspire to this post, despite the fact that this end could not be accomplished at this time." Meanwhile, Sandinist Carlos Tunnermann, Nicaragua's former ambassador to the OAS, told ACAN-EFE that Cesar Gaviria "will inject" dynamism, prestige, and experience into the OAS. Commenting on the defeat of Costa Rican Foreign Minister Bernd Niehaus, Tunnerman said, "the time will come" when Central America "will have a candidate that will receive the support" of the other countries in the hemisphere. (Panama City ACAN in Spanish 1855 GMT 27 Mar 94)

Central America

Commenting on the election of Colombian President Cesar Gaviria as OAS secretary general, Danilo Roca, member of the Political Commission of the Central American Parliament, has declared that the United States supported Gaviria to pay him back for killing Pablo Escobar and waging a successful war on drugs. Roca also contended that Costa Rican Foreign Minister Bernd Niehaus' defeat resulted from Costa Rica wavering in its integrationist policy. Meanwhile, the Labor and Popular Action Union of Guatemala called on the OAS to become a mechanism that will contribute to creating a new international community based on peace, solidarity, and development. Former Guatemalan President Vinicio Cerezo expressed his "satisfaction" with Gaviria's election. (Mexico City NOTIMEX in Spanish 2250 GMT 27 Mar 94)

Cuba

Commentary: U.S. Summit 'Filled With Injustice'

PA2703043194 Havana Radio Havana Cuba in Spanish 0028 GMT 27 Mar 94

["Our America Commentary" by Manolo Ortega; from the "Evening Information Review" program]

[Text] More than 200 million Latin Americans live in poverty, and the fact that nearly half of the region's population lives under this condition has become the main concern of leaders, presidents, and experts, and it is also the main topic of any and all summits held within the region. Nevertheless, there are indications this issue could be downgraded in the next hemispheric summit convened by U.S. President William Clinton, which, according to him, must review inter-American relations in the post-Cold War era.

Despite the fact that the summit is filled with injustice from the start because of the deliberate exclusion of Cuba, U.S. Vice President Albert Gore, during his quick tour of Bolivia, Argentina, and Brazil, took time to hold an equally quick meeting with several of the likely participants at the hemispheric summit to issue propaganda about the forum.

Most likely, poverty will be one topic discussed at the summit. What cannot be certain, however, is whether participants will find the formula to eradicate this distressing problem because most of the region's presidents are unrelentingly applying neoliberal economic programs imposed on them by international banks, which have been a main creator of poverty, deprivation, and violence.

Venezuelan Foreign Minister Miguel Angel Burelli has said poverty represents a new scourge within society, because it poses security threats that cannot be fought with armies. He stressed poverty is connected with hunger, terrorism, drug trafficking, violence, and deprivation.

Aside from other personalities who have called attention to poverty, such as the current OAS Secretary General Joao Baena Soares, everyone is fully aware that there is a close relationship between poverty and social violence. Nevertheless, no one seems ready to tackle the problem.

Meanwhile, there are many bright individuals in Latin America who have not only realized that poverty is a national security risk but who have called attention to the need for the region to set up a new economic, political, and cultural integration system as the only means of salvation in the face of an increasingly competitive and isolationist world. Gradually, strong integration programs, such as Mercosur [Common Market of the South], the Andean Pact, and other treaties involving Latin American and Caribbean nations, are being implemented. These pacts are aimed at devising strategies to offset the ominous effects of structural adjustment programs.

When the connection between poverty and violence is discussed, the danger this poses to the stability of democratic governments is also mentioned. This is particularly true when one understands that 50 percent of the 200 million youngsters under the age of 18 in Latin America are excluded from adequate social, economic, and cultural benefits. In turn, this undermines social equality and justice, which form the groundwork of democracy. Therefore, the only way to avoid allowing poverty to cause social catastrophe in Latin America is by expediting integration, cooperation, and solidarity among our peoples. The results may not be immediate, but in time they will resolve the problems faced by the majority.

OAS Election 'Engulfed' in 'Difficulty'

FL2603151394 Havana Radio Rebelde Network in Spanish 1255 GMT 26 Mar 94

["Our Opinion" Commentary by Orlando Contreras]

[Text] Elections will be held in Washington tomorrow, 27 March, to choose a new OAS secretary general to replace Brazil's Joao Baena Soares, undoubtedly one of the most outstanding secretaries general of the OAS, an organization which has lost much of its prestige.

The candidates are current Colombian President Cesar Gaviria, who will conclude his presidential term by the middle of the year, and Bernd Niehaus, foreign minister of the outgoing Costa Rican Government.

Over the past few decades, the OAS has stood on the sidelines of the main Latin American and Caribbean problems. It has been used as an instrument of the successive U.S. Administrations against Cuba, and after a brief period when it seemed to have regained the path of respect for self-determination and for the legitimate governments of each nation, it yielded again to U.S. pressure and aligned itself with the one-sided idea of presuming the traditional representative democracy to be the sole legal system.

However, OAS Secretary General Joao Baena Soares in public remarks has reaffirmed that Cuba should not be absent from this organization.

The elections that will be held tomorrow have prompted the emergence of contradictions within the organization. Costa Rica, which has maintained a policy too tied to Washington in the recent past, has had some disputes with the United States over the issue of expropriations and over the seizure of a U.S. fishing boat within Costa Rican jurisdictional waters. Now it is directly accusing Washington of pressuring countries which have promised to support Niehaus.

Niehaus himself had said that it is a battle of a group of small countries against the large and strong countries. He recalled—quoting his words—that if we are to say that the OAS's task is to defend democracy, how can it be that its secretary general is elected in an antidemocratic manner, disregarding the free will of the majority, using the mechanism of pressure?

U.S. pressure was precisely what led the OAS to a total loss of credibility. Absent from the main conflicts on the continent, because of U.S. pressure, it is no surprise to anyone that the OAS today is engulfed in this type of difficulty when it is choosing a new secretary general, giving heed to denunciations made by Niehaus, who had also supported the U.S. policy of exclusion and alignment.

Carlos Lage Terms Visit to Spain as 'Positive'

FL2503223994 Havana Radio Progreso Network in Spanish 1200 GMT 25 Mar 94

[Text] Carlos Lage, vice president of Cuba's Council of State, has expressed his satisfaction with the state of relations between Cuba and Spain. The Cuban diplomat assessed his visit to Madrid, which concluded on 24 March, as positive. During the visit Lage met with Felipe Gonzalez, head of the Spanish Government, and other Spanish Government figures.

During his meeting with Gonzalez, which lasted an hour and a half, Lage explained in detail Cuba's situation and the measures being applied. The two men also analyzed bilateral relations. Lage said that the meetings held with the Spanish ministers of foreign relations, economics and finance, and commerce and tourism, as well as with other high-ranking officials, allowed those officials to better understand the efforts being made in Cuba and the difficulty of making progress amidst U.S. pressure on other governments and businessmen.

Lage's presence in Madrid permitted an evaluation of the prospects for Spanish investments in Cuba and the possibilities of expanding bilateral cooperation in divers spheres.

German Party Delegation Visits Santiago de Cuba

FL2603130294 Havana Radio Rebelde Network in Spanish 0003 GMT 26 Mar 94

[Text] At the invitation of the Communist Party of Cuba a delegation of the Social Democratic Party from northern Hessen, Germany, is visiting Cuba. They have held extensive meetings to become familiarized with current situation in Cuba. (Ernest Whasthle), member of the presidency of the committee of the party and senator of the Federal German Parliament, gave his opinion on the blockade that for more than three decades the United States has imposed on Cuba:

[Begin (Whasthle) recording in German with passage-by-passage translation into Spanish] Our delegation agrees that this embargo should be eliminated in the interest of the Cuban people, and we will do everything we can to contribute to the lifting of the U.S. embargo. However, we must stress that we do not have enough pull to influence the decisions made by the U.S. Government.

However, I can say that we agree with the many groups, some of which are in the United States, that think the embargo should be eliminated. [end recording]

The Social Democratic Party delegation from northern Hessen visited Santiago de Cuba Province where they held meetings and talks to strengthen future relations.

[Begin (Whasthle) recording in German with passage-by-passage translation into Spanish] We selected Santiago de Cuba for our meetings for a definite reason. This region and ours have similar structures. We have conducted a very broad and constructive political dialogue. This dialogue should be continued at the provincial level. We also expect that our visit serves to encourage the Social Democratic Party to establish ties at a higher level. [end recording]

During their stay, the delegation visited several institutions and economic and social centers of interest, which will allow them to have a panoramic view of the current Cuban situation.

Hungarian Minister Advocates Strengthening Ties

FL2603014694 Havana Radio Reloj Network in Spanish 2034 GMT 25 Mar 94

[Text] Hungarian Foreign Minister Geza Jeszenszky has stated that he believes that ties between Hungary and Cuba should be strengthened in all spheres. Jeszenszky meet with Cuban Ambassador to Hungary (Carlos Grego Soso) [name and title as heard] in Budapest. Jeszenszky said that despite the reasons that initially obstructed Hungarian-Cuban relations, during the current period of change the development of bilateral ties should be promoted, taking advantage of mutually beneficial elements.

In another meeting, (Janos Marcandi), deputy secretary of state at the Ministry of Foreign Affairs, also expressed his interest in reviving relations with Cuba, specifically in the financial arena. (Marcandi) expressed his hope that formulas can be found through which financial collaboration will be possible under the new conditions, even though the distance makes trade more difficult.

Netherlands Delegation Signs Aide-Memoire

FL2503221994 Havana Radio Rebelde Network in Spanish 1000 GMT 25 Mar 94

[Text] After five days of negotiations with its Cuban counterpart, the commercial delegation from the Netherlands visiting our country has concluded its research of the Cuban market and has signed an aide-memoire of the talks held at the Hotel Comodoro. More than 20 Netherlands businessmen made up the delegation.

Division General Emphasizes Combat Readiness

FL2603032894 Havana Radio Rebelde Network in Spanish 0000 GMT 26 Mar 94

[Text] During a 25 March meeting with young pilots held at the Antiaircraft Defense and Revolutionary Air Force [DAAFAR] Museum in Havana, Division General Enrique Carreras highlighted the high level of combat readiness of the new generations of pilots.

[Begin Carreras recording] At the Bay of Pigs, that small air force made a significant contribution to victory. I believe that the DAAFAR in Angola proved that those young people have demonstrated in the field, in reality, during operations and all the difficult moments we faced there, the great competency of our DAAFAR forces. [end recording]

Other issues discussed at the meeting were the efforts made by our Air Force during the search for Commander Camilo Cienfuegos, as well as Bay of Pigs operations and the 5 September 1957 events.

The meeting was held to commemorate the 50th anniversary of the graduation from pilot school of Division General Enrique Carreras, Hero of the Republic of Cuba.

Journalists Discuss Excess Currency

FL2403153794 Havana Radio Rebelde Network in Spanish 1700 GMT 23 Mar 94

["Straight Talk" program with host Juan Carlos Roque Garcia and guest Osvaldo Rodriguez from the weekly JUVENTUD REBELDE—live]

[Text] [Roque] Osvaldo Rodriguez from JUVENTUD REBELDE is here with us to determine who has the money, or who has that excess currency.

[Rodriguez] Look, it is rather difficult to talk about who has the money, because everyone says: Well, who has it, because I do not have it. And there are those who even question whether there is an excess of currency. I believe some colleagues are still thinking that this issue of the 14 salaries, or the 14 months of pay cannot be true, that there must be an error.

However, when you make an analysis of the bank accounts....[pauses] I recently had access to some data, to some research made by some banks and some economic research centers, and they said that 10 percent of those people having savings accounts accrue almost 60 percent of all the money saved by savings account owners in the People's Savings Bank. If we analyze the fact that the money can be kept by society in the same manner, we are saying that approximately 10 percent of the active population, 10 percent of the people who are actively working, must have accrued that high percentage of money.

[Roque] But this is only a supposition.

[Rodriguez] A supposition in the case of the money on the street, but there are precise data about the money kept in the bank. I believe that...

[Roque, interrupting] Are you trying to establish a parallel line between the number of people who have money in the bank and those who might have that excess money on the street?

[Rodriguez] Yes, I base this on the argument used by the economists as well. I agree with them in this point: If you analyze that 10 percent of the people with savings accounts have 60 percent of all the money, and that the remaining 90 percent of savers have only 40 percent of the money, well then we can transfer that to the remaining money which is circulating outside and we can say, not categorically, but we can logically say that 10 percent of the working people have most of the money which is circulating today.

[Roque] You said you would delve deeper into this subject.

[Rodriguez] Yes. Let us delve deeper. I believe that in order to reach certain conclusions regarding the highly complex issue of who has the excess currency... [pauses] because we cannot know since we cannot conduct a door to door search because that would be a violation of everyone's right to keep money at home. Thus we have to conduct an anlysis in an effort to get an approximation of the truth.

For example, underground market prices...

[Roque, interrupting] The black market, so that everyone understands clearly.

[Rodriguez] What happens is that according to economists, the term black market does not encompass everything. The black market is only that part of the market based on illegal merchandise. However, when you and I exchange our rations of cigarettes or rum, that is also the underground economy and this we are seeing more of this. When I render a service and charge you a lot, that is the underground economy. It is not precisely the black market. Thus, the term underground economy is broader.

[Roque] I am glad you clarified this because in a recent program we were left with doubts about the underground economy and the black market.

[Rodriguez] The black market falls within the underground economy.

[Roque] Let us return to our subject.

[Rodriguez] When we analyze the underground economy and its prices, undoubtely it is clear that most people participating in the underground economy have gone from purely buyers to sellers. Why, if this did not happen before, is it taking place now? When you speak with the people you hear: I have to sell something in order to buy something.

The high prices are not set by the money in circulation money or the lack of supply alone, but because there are people with plenty of money capable of affording that merchandise because they have money in abundance. You and I, perhaps, who live off our salaries alone, who do not have another source of income but our slaries, find it hard to fully participate in that market because that is a market which has become smaller.

[Roque] The truth be told, we frequently have no choice but to access that market.

[Rodriguez] We have to because, as everyone knows, the official market does not guarantee all the basic needs of the Cuban family nowadays. Therefore, we have to access that informal, underground economy to meet a number of needs, merchandise as well as services.

[Roque] Particularly, essential needs.

[Rodriguez] The most necessary. For example, food. That is one of the things for which most people have to access that market. However, when you access this market you are not in a position to do this at any price because you are not well off. Undoubtedly, there is someone who sets the prices. That someone is the people who have a lot of money.

In a study....[pauses] There are several studies on the underground economy; this has not escaped study by specialists. They have studied the underground economy thoroughly in terms of research and polls. Although there is no data, because is it highly difficult to determine the percentage of merchandise moved, there are estimates. It is known that at the same level that the national economy experienced a shortage of supplies, the underground economy experienced the same crisis, in the same proportion. The movement of merchandise within the underground economy for 1992 was estimated at 15 billion pesos. This does not mean 15 billion in the hands of the underground economy but that the same peso that you give someone is given to someone else and the money circulates.

[Roque] What should be understood clearly is that the phenomenon of the underground economy is not a trait of the special period alone. It is something that has been there all along and it happens in other societies. Capitalism also has an underground economy.

[Rodriguez] Capitalism is the seed. The origin of the underground economy origin lies in capitalism.

When you analyze the underground economy and the way it operates in a capitalist country, and the way it operates in our country, the characteristics are very different.

[Roque] Well, I think we are moving away from the objective we have set for today, which is to learn who has the excess currency.

[Rodriguez] I want to return to that part when we got into the disquisitions about the way the underground economy operates. We must clearly understand that the merchandise circulating within the underground economy comes from the state companies or from the state stores.

[Roque] And this is caused by the lack of control and leads to theft, etc.

[Rodriguez] Of course, theft is fostered by the lack of control, and this lack of economic control is what gives an injection of merchandise to the underground economy. Many people often ask: And if that merchandise is found in the black market, why is it not controlled and returned to the state stores?

I think this is a question asked by everyone, even by the company directors. They ask: Well, what happened to my merchandise? It was taken from my store. Well, when you make an inventory at the end of the year, it is reported as a loss, and often not even as loss because it involves products not yet paid for, and this is what unleashes all these problems we are experiencing in our own homes.

[Roque] It is time now to arrive at a conclusion on this subject.

[Rodriguez] Well, to conclude this idea, it is obvious that a small group of citizens have most of that excess of currency, more than 11 billion pesos—well, it was 11 billion by December. We are now deep into 1994, and perhaps it must have already increased to almost 12 billion, or perhaps to 11.5 or 11.6 billion, because I have no idea of the rate of increase in the excess currency. But it is known that only a small number of citizens have it. It is known that this small group of citizens are today called money hoarders [macetas]. We know that these people are the ones who are today affecting the tranquillity and the development of this society. But the workers in the workplaces are loudly demanding firm action against these people. I believe that when action is taken against them, and when measures are adopted to make a financial balance, when there is control, and when production supplies the markets again, then we will talk about other subjects, but no longer about excess currency or who has the money, or what problems are there to increase the black market.

[Roque] I am happy that you concluded your statement in this manner, but I want to make it clear to you that there is more need to make people aware of this problem, and that they must be willing to solve it.

[Rodriguez] Of course. I think we must say that this will not be solved by collecting all the money, because money is not a problem in itself, but something that serves to barter, a means of barter, but it is nothing materially important.

[Roque] I want to thank Osvaldo Rodriguez for being with us to answer this question: Who has the excess currency?

Journalists Define Production Costs

FL2503030994 Havana Radio Rebelde Network in Spanish 1700 GMT 24 Mar 94

["Straight Talk" program with host Carlos Santana Ojeda and guest Renato Recio from TRABAJADORES newspaper; monitored in progress—live]

[Text] [Recio] ...First of all, the workers understood clearly that cost is a basic factor in measuring efficiency. They realized that if we do not discuss and control costs, if an economic analysis on the basis of costs is not conducted, the goal of increasing profitability and reducing losses and state subsidies to enterprises is not feasible. What has to be done first is to identify and measure our expenses. These expenses, material and labor, are reflected in the cost. This concern you said the workers have, which is true, is being expressed even as a mandate. Nowadays, there is a trend which I believe is very healthy: The workers are demanding of the management that a cost system, even a minimal one, be established and made known, especially where the expenses are incurred—the workshop, department, shift, and the smallest unit. This is based on the concept that those who can do the most to reduce costs are those who incur the expense.

I believe that it is very important to analyze a phenomenon typical of our economy in the last few decades. I dare to advance the following opinion: In general, we in Cuba have underestimated the importance of the financial elements of the economy.

By this I mean the following: We have worked above all on the basis of material balance. We have balanced consumption values and material values in terms of their productive function. However, we have frequently dismissed the importance of financial factors and, above all, the problem of determining, controlling, and reducing costs.

[Santana] Yes, there have been other priorities. As you said, material production has been a priority. However, material production per se has not had a quality, a use value. Despite these concerns, it has not always had an appropriate use value.

[Recio] There are things we cannot separate at this time. I have used this chemical image: If you separate hydrogen from oxygen, you no longer have water. Likewise, if you separate the material value of things, in terms of their utilitarian and social value, and take away the financial element reflected by that value, then you are simply canceling the entire quality of the economy.

[Santana] Of course. You were referring to cost as a financial factor. I think we need to speak next of the elements comprising cost because I think that is very interesting. It is something not frequently discussed. Many people are surprised to find that there is not a single cost, but many. The issue of cost has been discussed by the workers on the recently concluded process of Parliaments in the Workplaces.

[Recio] First of all, I do not believe this process has concluded. I insist on the idea I have stressed before: This is only the beginning of the process. We have to maintain everywhere that style of frank language, open discussion, and realistic analysis of the economic problems at each workplace. I believe the union movement is committed to maintain that work style and method. Therefore, I do not speak of its conclusion. I said that it is only beginning.

[Santana] Therefore, it is a process that has completed its first round, its first phase. You were saying that there are many ways of expressing cost and that there are several components to cost.

[Recio] I prefer to mention the two main elements: salary costs and material costs. Those resulting from the work force expenses and those from the consumption of raw material, energy, etc. Most workers are aware that this is expressed in the phrase: Cost per peso of consumer goods production.

What is happening today in Cuba—highly affected by economic decline—is that the cost per peso of consumer goods production exceeds the peso. This is no good. In order to produce a peso you have to spend more than a peso in resources.

[Santana] There is the fact that 69 percent of Cuba's enterprises are unprofitable.

[Recio] That means that in those enterprises it costs over a peso to produce a peso's worth of goods. Expressed in this manner, one can see that if this situation were to be sustained for long, life would become almost unaffordable because you are consuming more in production than you are producing. This is in financial terms. It is good to explain this here. It can be expressed in financial terms. However, the list of material expenses is unending. Thus, no one can express it in terms that consuming such and such things produces such and such a thing. Therefore, the financial, monetary, cost expression is the shorter and more objective way to determine whether one is expending more or less in production than the value of the goods produced. I believe that should be constantly the focus of the Cuban workers, as owners of the means of production.

[Santana] You also mentioned the cost of salaries. You spoke of material expenses. Undoubtedly, the large personnel roster in almost every workplace in Cuba cannot continue to exist if we want 69 percent of the enterprises to become profitable. It is clear that excessive salary cost is an unjustified expense of production. I believe this is under discussion today. Many think they can solve their problems by reducing the number of workers. I believe that is part of the problem. You said this was one of the elements of cost but not all of it. There are other elements, such as material costs, and many others such

as efficient production, maximum use of the machinery, compliance with all the technological requirements, etc. I believe this is an element that has to be stressed.

[Recio] All this, obviously, promotes cost reduction or, if improperly done, increased costs. I want to warn about something which is my opinion. We should not exaggerate the importance of the salary factor in our highly elevated costs. I believe that inflated rosters at the workplaces have very negative consequences for productivity and work organization. However, not always, everywhere, does the main factor determining elevated costs lie in salaries. I believe this always requires a casuistic analysis, an analysis place by place in order to reflect in situ what portion of the costs is determined by personnel salaries and what portion results from poor use of material resources. I believe we have to insist on this idea in order to avoid confusion. We also make extremely poor use of the material elements consumed in the productive process.

We do not have to go far. We are once again linking finances and production: The problem discussed recently—the lack of payment among enterprises—also contributes to the pilfering of resources, which results in cost increases as a result of unfulfilled material consumption. I believe this also deserves analysis.

[Santana] You were speaking of something very important: payment among enterprises.

[Recio] I believe that in the previous National Assembly session this issue was highlighted. This is very interesting because it is unthinkable that there are enterprises subsidized by the state whose failure to charge other enterprises for production is also being subsidized. There are also enterprises that refuse to pay. I have spoken with many managers who tell me, yes, they try to collect but their counterparts do not want to pay. Within this there is a whole bureaucratic apparatus, the bank, etc., which complicates payment. I believe this issue is very interesting. In no other system is it acceptable that you deliver a product and are not paid for it by the receiving enterprise. As you said, this is the main tool of those who steal and pilfer, since there are no controls.

[Santana] Also a tool of those who are inefficient and negligent.

[Recio] All I have to add is that this absurd, truly absurd situation of those selling goods not getting paid, and those purchasing not paying, takes place only because of the break we had—which was intensified at the beginning of the special period—between the financial and production factors of production. Fortunately, we are undergoing the process of a new mentality, of rethinking economic logic and rationale. The struggle for efficiency has become an essential element to save the fatherland, nation, socialism, and its accomplishments.

I believe that all—workers, administration workers, managers, political organizations, and people in general—have to get involved with the issue of cost.

[Santana] Yes, I believe it is very important that all workers get involved in this problem. I believe it is essential to the Cuban people, not only in production but also in terms of state finances where we should try to make costs a constant concern.

[Recio] That sector speaks primarily of expenses because they have no production. They do get a profit, in general, for production. However, in health as well as in education and culture, we have seen a willingness to reduce costs, to measure how much is expended on primary level education and how much on each disease treated at hospitals.

I believe that all these concerns and interests may result in an improvement in the Cuban economy.

Journalists Discuss Theft, Embezzlement

FL2603140294 Havana Radio Rebelde Network in Spanish 1700 GMT 25 Mar 94

["Straight Talk" Program with host Carlos Santana Ojeda and guest Eloy Concepcion from TRABAJADORES newspaper—live]

[Text] [Santana] This is "Straight Talk" on Radio Rebelde, today with Eloy Concepcion, a reporter from the newspaper TRABAJADORES. Today we are going to talk about the embezzlement and theft of agricultural products in Havana Province.

Eloy, I recently read a commentary you had written in the TRABAJADORES newspaper in which you talked about this topic, and you pointed out some interesting facts. You said that approximately 30 percent of Havana Province's agricultural production was stolen or embezzled. I am thinking of last year's production and that must be equivalent to 1 quintal of agricultural products per citizen in Havana City. That means that the average four-person family did not receive approximately 400 pounds per capita. That is for a four-person family nucleus.

Most likely, many of them had to buy these products from these same thieves and unscrupulous speculators on the black market and at the black market prices. If to this we add the fact that last year approximately 1 million people from Havana participated in agricultural tasks in Havana, we can say that they have stolen twice from us, because besides stealing the product that corresponds to us they stole the work we did.

Eloy, I would like to hear your opinion on this matter.

[Concepcion] Yes, this is a situation that besides being caused through theft is caused through embezzlement and misappropriation. It is a spider web and a complex network that has a present effect, which affects the people and the country's economy. It has a future effect in that it creates an atmosphere of social indiscipline, it undermines values that correspond to our society and, therefore, it has a double negative effect.

With regard to agriculture and the problems of theft, embezzlement, and misappropriation of agricultural products in Havana, we reached a point at which we needed to stop it dead in its tracks—to use words that are understandable. We had to take measures that were a bit drastic and which have not been accepted by the perpetrators of those crimes or by those who allowed or have been allowing these immoral acts to happen.

In contrast, from information I have gathered during visits I made in the last few days, there is general acceptance among the population in the two provinces: in Havana and Havana City.

[Santana] Nevertheless, you pointed out in your report that for some irresponsible and undisciplined people the measures taken have been bothersome.

[Concepcion] Yes, logically. What was happening here was the following—let me see if I can paint a picture for you so that the listeners can understand where the problem lies. The problem begins with the lack of control and demand by the administrative leaders of the enterprises. Some of these have been accustomed to being very generous with state resources.

There is a key element here—and later on I will talk more about the theft of products—which is an exchange between enterprises and organizations from Havana Province and Havana City Province, which has created the philosophy of you scratch my back and I will scratch yours. In other words, one enterprise has welding rods and other resources that the agricultural enterprise, the farm, or the Basic Cooperative Production Units [UBPC] lacks. In exchange for these products that belong to the state which are diverted from the capital to that enterprise, that enterprise, which produces tubers and vegetables, gives this enterprise, which provided those resources, agricultural products.

[Santana] Eloy, you were talking about a very interesting subject, the small-time peddler relationship among companies, a relationship which basically is that policy of you scratch my back and I will scratch yours. I think this emerged some time ago during those big meetings among businessmen in Havana Province and in Havana City. This is a sort of a barter, a sort of liberty adopted by some directors, which if they did this for their companies' benefit, they would be more efficient, but by doing this they are only showing that they are small-time peddlers [mercachifles], and not businessmen, and much less socialist businessmen.

[Concepcion] Yes, and you know that over the past few years there has been a process of change in the treatment of man. All companies and organizations have been worried—and they are right—about giving better service to their workers in their cafeterias, and I think they have been classified as quality cafeterias, and there are organizations which are examples nationwide.

But we must say the following: Most of these organizations and companies from the capital and nationwide have been given some self-consumption plots. And many of the self-consumption ploys of those organizations are a bit abandoned.

What happens is that one organization or company asks another agricultural company to provide a truck load of tubers for its cafeterias—and this is good—but in practice what is happening is that the truck load of tubers is not used just to feed the workers, but many of those products are sent elsewhere to feed the pigs, because it is easier to raise pigs than to produce vegetables and tubers in those self-consumption plots they have, it is easier than working, I would say.

[Santana] Is this the embezzlement you were talking about?

[Concepcion] Yes. Then they give better service to the workers at the cost of others. That is, you will probably find cafeterias giving good service but when you eat there you will realize that what is consumed there is not produced by that company or organization. So, good service is given to the men at the cost of other workers who produce, or at the cost of a product that should have been sent to the people and was not sent because of that unauthorized appropriation.

[Santana] I think this is very interesting because people always talk about theft, and those who steal or swipe those agricultural products are always condemned. But you are mentioning something new that has not yet been publicly mentioned, or at least I have not heard it yet. This is an interesting element because state companies obviously have an influence on the fact that not enough food is reaching the neighborhood markets.

Of course the worker is happy when in his cafeteria he can receive all those products, but of course the businessmen and the people who are involved in this type of embezzlement must be punished and sentenced severely.

[Concepcion] The problem is that we have developed a bad habit, and we have had this bad habit not only during the revolutionary process but long before that, when people used to violate the country's rules and laws. There are rules about what companies, what organizations, and what cafeterias should receive these products on a priority basis, but through the established channels, that is, through the official channels. But what happens is that this has become a regular practice, that everyone is going to the fields to look for products for their cafeterias, and they do this together. Thus, a false relationship of partnership and friendship has been created—a false concept of interentrepreneurial or interorganizational relations that violates the government-established regulations—and therefore rules must be established.

[Santana] The people will undoubtedly agree—the workers in charge of production who see this type of misappropriation which Eloi mentioned. You were going to speak of theft. I believe this is also something very important and irritating.

[Concepcion] Yes. That is a situation we had and still have in certain cases in Havana and towns of the two provinces, as well as nationwide. I do not want to limit it to Havana. This is a national problem, not a problem of Havana City and Havana Province alone. It is annoying not being able to get a product in your local market, for example plantains, garlic, or agricultural products in general, and have a neighbor sell it to you at elevated prices—a head of garlic for eight pesos, etc. This exhausts the resources of the people who have to endure this problem.

The state and government have the responsibility of stopping this dead in its tracks, to take measures which might seem drastic but are nothing more than what is necessary to put an end to the romp and social indiscipline that has been corrupting en masse the people who directly or indirectly had no choice but to participate in it due to the situation we are experiencing.

There are people who, logically, disagree with these measures. When you can establish order, those who prefer disorder are not pleased. Certain organizations and enterprises which were involved in this romp do not support the measures. This is also the case with transportation drivers who have directly or indirectly participated in this romp. Therefore, the blatant theft-....[pauses] There is the case of the 4,000 heads of garlic on (Moscovits) cars in Matanzas, as a matter of the fact, one of the actions taken was the confiscation of those cars.

This was creating an unbearable situation, and the people have been demanding that drastic measures be taken to put an end to it. This does not mean that this is going to solve the problem. These measures are being taken because in the next two months at least 3 million quintals of potatoes and other crops will be harvested in Havana Province. The goal of these measures during these two months is to avoid and halt the theft and ensure that the products reach the people and the cold storage facilities and that the truck does not drive around leaving sacks of products on the way, stealing and supporting a black market that is impoverishing the people. The state has the responsibility to take whatever measures are needed to solve this.

[Santana] I believe that we also have to stress that there cannot be extremes because we usually either fall short or overshoot the mark. We have to avoid extremes with relatives or friends of farmers returning home, not because they went to buy from the farmer, and bring back home a small amount of agricultural goods.

[Concepcion] The problem does not lie with the bicycle riders or friends who go to the farm to get a bag of products. This is not a problem of small bags or bicycle riders. Many of them might be involved in this as a business, but these measures are not for these people. There might be certain injustices as is logical. These measures are aimed at the agricultural profiteers who have inundated Havana with products in an undertaking which is already an unbearable problem.

[Concepcion] They do this on a large scale. I believe that what you say is true. This is not aimed at people getting a bag of products. It is aimed at large-scale profiteers.

Law Fines Self-Employment Law Violators

PA2503213294 Madrid EFE in Spanish 2013 GMT 23 Mar 94

[Text] Havana, 23 Mar (EFE)—The Cuban Government approved a law whereby stiff fines, ranging from 500 to 1,500 pesos (the same amount in dollars at the official exchange rate) will be imposed on persons authorized for self-employment who violate official regulations.

More than 141,000 persons, 4 percent of the 3.5 million Cuban workers, currently work independently on the island, protected by a law that was approved in September and increased to 136 the number of self-employment categories.

The new law, announced on Sunday, establishes a fine of 1,500 pesos for persons who engage in an activity that is not legally authorized, and 1,200 pesos for persons who do not have a certificate that accredits them as independent workers. A Cuban's average salary is approximately 150 pesos per month. A 1,200-pesos fine will be imposed on persons acting as intermediaries to provide services or sponsor the sale of products manufactured by a self-employed person, whether legally authorized or not.

Likewise, Cubans who take advantage of the market conditions to sell or offer services at clearly exorbitant prices can also be sanctioned by the law.

Also, a fine of 600 pesos will be imposed on persons who violate health regulations; and a 1,200-pesos fine to whoever "hides, denies, or forges information that is officially requested by the appropriate authorities, or whoever intentionally obstructs the authorities' actions.

According to statistics from the Labor Research Institute, more than 141,000 Cubans are self-employed, including electricians, masons, carpenters, photographers, electric appliance repairmen, masseurs, and craftsmen. Persons who want to work independently must obtain a permit from the State Labor and Social Security Committee, and are required to pay a tax to the State Finance Committee, based on the type of activity they carry out. In order to obtain self-employment authorization, a person has to be retired, a housewife, or be registered under the subsidy system due to a reorganization or paralysis of activities. Professionals in active service and directorate board members are excluded.

Cuban economic authorities have affirmed on more than one occasion that self-employment is necessary given the lack of full-time jobs and the state's inability to provide certain services. Since the authorization of self-employment jobs increased, handicraft street vendors, bicycle parking attendants, and automobile washers, and

other articles have proliferated throughout the island. In most cases they offer their services and products in dollars.

Lazo Attends State Security Promotion Ceremony

FL2603190594 Havana Radio Rebelde Network in Spanish 1800 GMT 26 Mar 94

[Text] A group of the state security fighters have been promoted to the immediate upper rank at a ceremony held in Santiago de Cuba Province on the occasion of the 35th anniversary of the foundation of that organization, which is subordinate to the Interior Ministry. Reporter Carlos Sanabria Marrero will give us further details from that province:

[Begin recording] [Sanabria] The activities carried out at the Interior Ministry building were summed up by Esteban Lazo Hernandez, Politburo member and first secretary of the Cuban Communist Party in that province.

[Lazo] I want to wholeheartedly congratulate you for this 35th anniversary, and also for what you are doing, for the work you are doing for security, and for the awareness of working efficiently, and for the things that are still to be done, because I know that you will continue working with that same awareness to overcome problems and to be increasingly better every day. I hope to celebrate many anniversaries here with you along with the history of this glorious and everlasting Cuban revolution, placing symbollicaily on the hearts of each of you that medal which symbolizes the heroes of the difficult war, the heroes of the war that decides the fate of a nation. Fatherland or death! We will win! [end recording]

Machado Ventura Visits UBPC's in Granma

FL2503154494 Havana Radio Rebelde Network in Spanish 1000 GMT 25 Mar 94

[Text] Yesterday, Politburo member Jose Ramon Machado Ventura toured several Basic Cooperative Production Units [UBPC] in Granma Province. Machado was accompanied by Alfredo Enriquez Pina, first secretary of the Communist Party of Cuba in Granma Province. During his tour, Machado Ventura stressed that the UBPC's were created because of the need to increase production.

[Begin Machado recording] If this does not go well, we will have very serious problems throughout the country. From there we must care for them and work with them in discussions if there is any indication that there may be problems. [Words indistinct] the stability that will guarantee and satisfy the needs of the cooperative, the worker, and his family. That is a guarantee that will keep the people here.

Other problems will follow: better quality, higher yields. All this will follow, but this year we must organize ourselves. We cannot begin next year with new ideas or new interpretations. If there is anything to interpret, move, or change, it should be done now, during these next months. That is why I am visiting you. We are trying to do this now so that later on no one gets off track.

This is not to sell plantains along the road. We sell the plantains on the road, we get so much, and we sell the rest. That is not the way. You are here to produce more because by selling plantains on the road maybe with half of the production you get more because it is sold at 10 times the price, yet we must focus on producing more. When we talk about earning more, we want you to earn more, but based on your production, not because your product was sold at a higher price, rather because you produced more. [end recording]

These were statements by Politburo member Jose Ramon Machado Ventura in Granma on the UBPC's, after visiting several of these collectives in this eastern province.

Ross, Rizo Exchange Ideas with Camaguey Workers

FL2603151694 Havana Radio Rebelde Network in Spanish 0000 GMT 26 Mar 94

[Text] Politburo members Pedro Ross Leal, who is also secretary general of the Cuban Workers Federation, and Julian Rizo, exchanged ideas and experience with union leaders from Camaguey on the development of the workers' parliaments in workplaces.

Ross and Rizo outlined in a general manner the 3,919 parliaments held with a total of almost 30,000 meetings in which [words indistinct] and 80 percent by the labor force.

Ross Leal said that this process has not ended, but that it will continue to give an answer to each of the questions which will have a practical solution in each territory, center, or organization.

Camaguey Wins Regional Emulation Campaign

FL2503023994 Havana Cuba Vision Network in Spanish 0100 GMT 25 Mar 94

[Text] The assessment of the emulation program shows that Camaguey's sugarcane workers are giving their all. The harvest workers have put a poor start behind them and, dismissing difficulties, are fulfilling the trust placed in them. This is the reason Camaguey was selected the winner in the eighth regional emulation period with results surpassing those of Las Tunas and Holguin Provinces. In sugar produced, they are second, nationwide; in sugarcane grinding, yield, transportation, planting, soil preparation, and power provided to the national electric system, the region is the vanguard. This is very encouraging and, in the opinion of specialists, denotes efficiency and stability, even though there is still much to do.

The emulation assessment was chaired by Jose A. Naranjo, chief of the commander in chief's coordination and support staff, and Politburo members Nelson Torres, Sugar Minister, and Julian Rizo Alvarez, first secretary of the Communist Party of Cuba in Camaguey Province, in addition to the first secretaries of Las Tunas and Holguin Provinces.

It became evident in the analysis that an extraordinary effort is required in the next 40 days in order to meet the unalterable commitment of the three provinces decisive to Cuba's sugar program. It was stressed that the doctrine of fulfilling daily tasks is not only beautiful but essential, now more than ever.

Rafael Rodriguez Given Pinar del Rio Award

FL2403135394 Havana Radio Progreso Network in Spanish 1200 GMT 24 Mar 94

[Text] Politburo member Carlos Rafael Rodriguez received the shield of Pinar del Rio, an award given by the government of that province to outstanding personalities. Carlos Rafael Rodriguez expressed appreciation for this expression of affection, which is so abundant in that province. He highlighted the importance of maintaining the unity of the four generations that form part of the revolutionary process as the only way to carry out the historic sense of our struggle.

Jose Marrero Camacho, president of the provincial assembly of the people's government, expressed satisfaction with being able to have Rodriguez here during these difficult times the fatherland is facing. Marrero described Rodriguez as a genuine representative of Cuba in whom the depth of ideas and the dynamism of action come together.

Santiago de Cuba Holds Crop Assessment Meeting

FL2603032594 Havana Radio Rebelde Network in Spanish 0000 GMT 26 Mar 94

[Text] Guantanamo, Santiago de Cuba, and Granma Provinces have a good chance of fulfilling their respective sugar production plans during the current harvest if they continue working with the same impetus in facing the difficulties preventing higher yields and industrial efficiency. This was the conclusion of the sugarcane harvest assessment meeting held on 25 March in Santiago de Cuba in the presence of Sugar Industry Minister Nelson Torres; Jose A. Naranjo, head of the commander in chief's Coordination and Support Staff; and Esteban Lazo and Juan Carlos Robinson, respectively first secretaries of the Communist Party of Cuba in Santiago de Cuba and Guantanamo Provinces.

At this meeting, it was proposed that the easternmost provinces exchange moral and material support to ensure that the current goals are met—particularly supporting Granma, which will be reporting to the National Assembly of the People's Government in July and therefore has to meet all its goals.

The eastern region was proclaimed the best in Cuba in the last 20 days; and within this area, Guantanamo is in first place, for fulfilling seven of the 14 emulation parameters. At this meeting at the Heredia Theater, the Salvador Rosales Mill from Songo-La Maya Municipality received the Union of Young Communists' Setting the Pace banner for surpassing its grinding potential for the past 40 days.

ANIR Role in Defense, Sugar, Food Evaluated

FL2503222494 Havana Radio Progreso Network in Spanish 1200 GMT 25 Mar 94

[Text] In Havana, a plenum of the national committee of the National Association of Innovators and Efficiency Experts [ANIR] is evaluating ANIR's role in defense, the sugar harvest, and the food program.

Politburo member Maria de los Angeles Garcia stressed that, in addition to their continuous efforts to find solutions to the nation's other problems, ANIR members should look upon preserving equipment, machinery, tools, and other resources—many of which are not being used because of the lack of spare parts—as a challenge. As regards ANIR's participation in the sugar harvest, the plenum agreed on the need to expedite the recyling and production of spare parts needed to operate combines, compressors, and boilers at the sugar mills, as well as to use animal-powered equipment more efficiently.

Pig Raising Prohibited in Central Havana City

FL2503172994 Havana Radio Rebelde Network in Spanish 1000 GMT 25 Mar 94

[Text] Jorge Rogabruna, vice director of hygiene and epidemiology in Havana City Province, said that the law that prohibits the rearing of pigs in the central municipalities of the capital and in apartment buildings and city neighborhoods remains valid. He stated that in Centro Habana, Habana Vieja, Cerro, Plaza de la Revolucion, Playa, and Diez de Octubre the rearing of those animals is prohibited and that it is not authorized in urban localities of other municipalities in Havana City with large concentrations of people. Rogabruna said that there are control mechanisms at the zone and municipal levels through the people's councils which send commissions to visit the owners of the animals and warn them of the infraction they commit by keeping those animals.

Roundup of Economic Activity

FL2603152494

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 22 and 25 March.

Radio Reloj at 1500 GMT on 22 March reports that the Matanzas sugar industry has fulfilled the sugarcane planting plan for March 10 days early. The number of caballerias scheduled to be planted in March was 390, but 458 caballerias have been planted. Thus, the plan has been surpassed by 17 percent.

Radio Rebelde at 1800 GMT on 22 March reports that thanks to the help of workers from Santiago de Cuba in harvesting approximately 17 caballerias planted in plantains, Ciego de Avila Province will send 200,000 quintals of plantains to the markets of Santiago de Cuba Province this year.

Radio Rebelde at 0000 GMT on 22 March reports the following:

Tourism sector workers in Varadero have donated to the public health sector more than $17,000 made in tips during February.

A solidarity group from northern Italy has made a donation to Cuba valued at more than $15,000. The donation, which includes medicine, powdered milk, soap, and disinfectants, is earmarked for polyclinics in Camaguey Province.

The German airline LTU announced that it will increase tourist flights to Cuba in 1994. LTU is one of the biggest airline companies in the world dedicated to tourism. Cuba is one of the LTU's most important long distance stops. The company markets over 850 rooms at the Tuxpan and Bella Costa Hotels in Varadero and at the Carisol and Los Corales complexes in Santiago de Cuba.

Armando Puello, president of the Dominican Republic's tourism association, highlighted the increased links between Dominican companies and the tourist hub of Santiago de Cuba.

Radio Rebelde at 1000 GMT on 23 March reports that after six years of work, the Cubanacan Travel Agency on 22 March was introduced in Havana City as Fantastico, the new name with which it will operate as of this date. According to Fausto Garcia Diez, manager of this agency which is subordinate to the Cubanacan Corporation, the agency aspires to receive no less than 300,000 tourists and to collect $11 million in 1994.

Radio Rebelde at 1800 GMT on 24 March reports that 51 foreign and 184 national companies are participating in the commercial fair running from 22 to 27 March at the Convention Palace in Havana. The fair seeks to increase the flow of currency in our economy and to show the results of joint ventures with foreign companies in the spheres of foods, containers, packing, refrigeration, and printing equipment. The presence of businessmen from 12 countries, among them Brazil, Mexico, and Spain, reflects solidarity with Cuba.

In the same newscast, Rebelde reports that Cuba has one of the lowest fertility rates in the world, despite the fact that it has one of the highest wedding rates in Latin America. Moreover, the report adds, the prominent Cuban jurist Holga Mesa has said that for every 10 births, there are nine abortions in Cuba.

Cuba Vision Network at 2320 GMT on 24 March reports that because 20 caballerias of tomatoes in the Caujery Valley are infected with white blight, the Guantanamo Province tomato harvest will be 60,000 quintals less than projected.

Radio Rebelde at 1255 GMT on 25 March reports that rice, cane, and other crops in Sancti Spiritus Province this year will receive some 70,000 tons of organic fertilizers known as bioearth [bio-tierra] to replace the imported chemical products. It adds that the country must produce at least 1 million tons of bioearth to be used on agricultural land to reduce the demand for industrial fertilizers. Bioearth is a mixture of ash, vegetable waste, and microorganisms which increase the amount of potassium, phosphorous, and silica in the soil.

Dominican Republic

Government Could Support Gaviria for OAS Post

PA2603222494 Madrid EFE in Spanish 2050 GMT 26 Mar 94

[By Ramon Melenciano]

[Text] Santo Domingo, 26 Mar (EFE)—Although the Dominican Republic has officially voiced support for Costa Rica's candidate for the post of OAS secretary general, today, just one day before the elections, it is still unknown how the Dominican Government will vote.

Dominican Republic President Joaquin Balaguer has expressed a need for the regional organization to be reorganized to enable it to fulfill its duty of being the guardian of Latin American democracy. This position corresponds with the one proposed by the group of nations supporting the candidacy of Colombian President Cesar Gaviria. Balaguer also stated that, together with Argentina President Carlos Menen, he is participating in Latin American efforts to restore the prestige of the OAS.

Previously, Deputy Foreign Minister Fabio Herrera Cabral and Foreign Ministry officials had told EFE that the Dominican Republic would support Costa Rican Foreign Minister Bernd Niehaus. The support was based on the fact that Costa Rica is a small country, as well as on an agreed rotation for representatives from all OAS countries to occupy the post of secretary general.

Ambassador Kemil Dipp Gomez, who heads the United Nations and OAS Department at the Dominican Republic's Foreign Ministry, said the Dominican Republic would maintain its support for Costa Rica even if there was a possibility that Niehaus could be replaced by Oscar Arias, former Costa Rican president and Nobel Peace Prize laureate. Niehaus is running against Colombian President Cesar Gaviria, who has the support of the United States, Mexico, and Brazil.

In January and March 1994, Colombian Foreign Minister Noemi Sanin visited the Dominican Republic in an effort to obtain the government's support for Gaviria's candidacy. On both occasions, however, Dominican Republic diplomatic officials reiterated their country's preference for a representative from a small country, such as Costa Rica, to occupy the post of OAS secretary general. Therefore, Balaguer's statements have confused international diplomats as to which of the two candidates, Gaviria or Niehaus, will receive the Dominican Republic's support.

According to a source within the Dominican Republic Foreign Ministry, there are two international policy issues that could force the government to withdraw its support for Costa Rica in favor of Colombia. The first is that the United States, the country that has the most political influence and economic relations with the Dominican Republic, supports Gaviria. At this time, the Dominicans are promoting bilateral agreements with the United States, which, according to the source, could sway the Dominican Republic's vote in favor of Gaviria.

The other factor is that the Dominican Republic and Colombia are negotiating the possible release of four Dominicans jailed in Santa Fe de Bogota in connection with an alleged plot against the Colombian Government. Colombian Foreign Minister Noemi Sanin de Rubio proposed to President Balaguer in her two visits that Colombia might agree to allow the Dominicans to serve their sentences in their own country if they are convicted, but only if the Dominican Republic Government agreed to a prisoner-exchange program. Balaguer is being pressured by relatives and educational, cultural, and political organizations to expedite the release of the Dominicans.

After voicing its support for the Costa Rican candidacy for more than four months, a change in the Dominican Republic's position would be interpreted as meaning that U.S. pressure or President Balaguer's interest in obtaining the release of his imprisoned citizens prompted the turnaround.

Haiti

FRAPH Urges Malval Ministers Not To Go To Work

FL2503234594 Port-au-Prince Radio Metropole in French 1700 GMT 25 Mar 94

[Excerpts] Revolutionary Front for the Promotion and Progress of Haiti, FRAPH, have called on ministers from the resigning government to refrain from going to their offices. This is their ultimatum. FRAPH is threatening to dislodge the ministers of the resigning Malval government. As of 28 March, the ministers are no longer to go to their offices.

FRAPH has harshly criticized the management of the resigning government. During a news conference held by FRAPH leaders on 24 March, the most virulent criticism was aimed at the ministers of health, agriculture, and education. [passage omitted].

[Begin recording] [Emmanuel Constant, in Creole] We are asking that all the current ministers of Malval's resigning government stop going to work, as the parliament directed. We are very serious about this. We are asking all the ministers not to go to work on 28 March.

[Louis Jodel Chambelin] If they do not obey, the Haitian people will come and remove them. And I hope that the next government arrests all the directors general and the ministers, so they can explain what they did with the Haitian people's money [applause] [end recording]

Those were FRAPH leaders Emmanuel Constant and Louis Jodel Chambelain.

French Charge Discusses Humanitarian Aid

FL2503173594 Port-au-Prince Signal FM Radio in French 1130 GMT 25 Mar 94

[Passages within quotation marks in Creole]

[Excerpts] Charge d'Affaires Philippe Seltz is very confident about unloading 530 tons of food products. He went to the Haitian parliament on 24 March to dispel any of the deputies' suspicions about the quality of the food products which will be distributed to 50,000 children. The following is a report by Daly Valet.

[Begin recording] [Valet] "During this meeting with the deputies, French Charge Philippe Seltz guaranteed that the food products that will be transported by the French ship will meet all humanitarian and sanitary regulations. Seltz said he hopes the ship will be able to unload at the Port-au-Prince wharf because, in his opinion, the French Government wants to help the Haitian people through the crisis they have been experiencing since 30 September 1991."

[Seltz] I spoke with the president of the Chamber of Deputies and several parliamentarians. We exchanged general views on questions regarding, among other things, this ship. Obviously, I hope that there will be no problem relating to its arrival.

[Unidentified journalist] Nevertheless, the ship will arrive and will also be unloaded?

[Seltz] I hope so.

[Valet] "Seltz also discussed political issues with the deputies. Concerning the parliamentary plan that was passed by the Chamber of Deputies, the French diplomat did not say whether the French Government supports the plan or not. He just said that the French Government remains committed to the Governors Island agreement. According to him, all points in this agreement must be respected."

[Seltz] ...the traditional position of France and the rest of the international community.

[Journalist] What is it? What position?

[Seltz] The implementation of all points of the Governors Island agreement and the New York pact.

[Journalist] You are against this plan? Are you against the plan of the parliamentarians?

[Seltz] No, I have not said that at all. I tell you that I favor the implementation [pauses] that France favors the implementation of all the points of the Governors Island agreement just like other countries have always said.

[Journalist] How do you interpret the American's position?

[Seltz] The same way.

[Journalist] And the Americans' position on the parliamentarians' plan?

[Seltz] That can be a first step.

[Journalist] Toward what?

[Seltz] Toward the implementation of the Governors Island agreement. [passage omitted]

[Valet] "Seltz visited the Chamber of Deputies diplomatic lounge to explain about the French ship's arrival in Haiti, the ship that is carrying humanitarian aid. Remember that Chamber of Deputies President Frantz Robert Monde has already come out against the arrival of this ship. According to the deputy, France is a hypocrite, a deceiver. Daly Valet for Signal FM." [end recording]

EZLN on 'Red Alert' After Colosio Assassination

PA2603024394 Mexico City Radio ACIR Network in Spanish 0046 GMT 26 Mar 94

[Communique "to the Mexican people, the peoples and governments of the world, and the national and international media" issued by the Clandestine Indian Revolutionary Committee-General Command of the Zapatista National Liberation Army (EZLN) on 24 March; place not given; from the "ACIR Radio News" newscast—read by Juan Carlos Santoyo, special correspondent in Chiapas]

[Text] The Clandestine Indian Revolutionary Committee-General Command of the EZLN addresses you to denounce the following:

1. In the evening of 23 March 1994, we learned by way of a radio broadcast of the cowardly assassination of Mr. Luis Donaldo Colosio Murrieta, presidential candidate of the Institutional Revolutionary Party [PRI].
2. The EZLN again explicitly condemns the use of terrorism to achieve any end.
3. The EZLN deeply deplores the fact that the government cannot resolve its internal problems without bloodying the people. Federal government hardliners who prefer military options hatched and carried out this provocation to annul any peaceful attempt at democratizing the country's political life.
4. The EZLN notes that Mr. Colosio Murrieta always referred to its movement with prudence and respect. His last statements indicated he had a clear commitment to compete on equal terms with other political forces in the nation. He recognized the fact that great injustices exist in the nation, and he noted the great distance between the current regime's words and the implementation of its economic and social policies. Those people whose raunchy voices decry the hope of peace, justice, and dignity—a hope born in the dialogue in San Cristobal de las Casas—have now chosen to sacrifice Mr. Colosio Murrieta to signal the disruption of a peaceful transition to liberty, democracy, and justice.
5. The EZLN knows that this crime which has rocked the country is merely a prelude to a large-scale military offensive by the federal government against our positions and forces and that it marks the beginning of a dirty war against all of those honest people who, through different paths, struggle under our same banner of peace and dignity. By arguing that it is necessary to reinforce the regime to avert actions such as the assassination of Mr. Colosio, they attempt to give a political and ideological basis to their indiscriminate repression and to destroy the cease-fire and, consequently, the dialogue for peace.
6. There are clear warning signals that the government is preparing an attempt to impose a military solution in the Chiapas conflict. On 19 March 1994, the EZLN denounced that earlier in the day government aircraft bombed near Comitan and Altamirano on the Mendoza highway. Approximately four incendiary bombs were dropped by these aircraft, starting fires and releasing unusual gases, which makes one think that a dirty war has been initiated.

7. The EZLN has shown proof of its sincere inclination to achieve a just and dignified peace. The government, however, has responded with lies, kidnappings, disappearances, threats, and bombings. Now, with this barbarous slaying of a public figure, its troops are preparing to break the cease-fire. Our forces, which are now in the process of holding consultations within their communities, have decided on the following step in the dialogue for peace and reconciliation: We are now obliged to suspend these consultations [ahora nos vemos obligados a suspender las consultas] and to prepare ourselves to defend our cause and our banner—the banner of democracy, liberty, and justice.

8. The EZLN is on red alert. Our troops—up to our last man—stand ready to defend Zapatist territory. The entry points have been mined and our combatants are girding for an attack by the government. The uncontrolled access to newsmen, which had been part of our policy not to hide anything from the eyes of our people, has been canceled. In view of the imminent government attack, only the access of war correspondents, duly accredited by the EZLN's General Command, will be permitted. Any person unknown to our forces who enters our territory will be apprehended and thoroughly interrogated. Warning banners are waving throughout our territory. The trenches of the Zapatists will now be open to all of those who want democracy, justice, and liberty.

9. Our just struggle is afoot. We are still prepared to follow the path of peace. Those who do not want peace are trying to return war to Mexican territory—a war being promoted by bad government and its servants.

10. The EZLN reiterates to the entire world its commitment to respect the cease-fire, not to impede the peaceful development of the upcoming elections, and not to stage offensive military actions against government forces anywhere within national territory under the conditions established in our communique of 12 January 1994. If we are attacked, however, our forces will defend to the last man the justness of our aspirations as Mexicans. If our patriotic history demands more bloodshed or that more of our combatants die in the struggle for a true peace—a peace with justice and dignity—we will not hesitate to pay the price. With dignity and courage, the faceless will defend the ground in which our dead are buried. We will never again return to a land that shames us. We will never speak again without showing respect for our words. We will continue walking the path of the highest truth, even though this may mean death for many of those who defend Zapatism.

[Signed] Subcommander Marcos

Reporters Required To Register as 'War Correspondents'

PA2603225394 Mexico City LA JORNADA in Spanish 26 Mar 94 p 19

[Communique "to the domestic and international media" issued by the Clandestine Indian Revolutionary Committee-General Command of the Zapatist National Liberation Army (EZLN) and signed by EZLN Subcommander Marcos; "from somewhere in southeastern Mexico" on 24 March]

[Text] Gentlemen: The Clandestine Indian Revolutionary Committee-General Command of the Zapatist National Liberation Army [EZLN] is honored to respectfully address you in order to outline its requirements for you to obtain credentials as war correspondents to enable you to enter those territories under EZLN control:

1. Our country's current situation has forced the EZLN to cancel its sweeping and completely open policy governing the media covering the conflict in Chiapas and, specifically, within those territories controlled by the EZLN.
2. As of 0000 [0600 GMT] on 25 March 1994, only those members of the news media accredited by the EZLN as war correspondents will have access to our territories.
3. To obtain credentials as war correspondents, applicants must present a letter bearing their signature and the signature of their respective news director. This letter must specifically state the following:
A. That the particular news organization does in fact authorize the applicant to serve as one of its employees assigned to journalistic coverage of the conflict within our territories.
B. There has been no payment, cash or otherwise, either by the EZLN to the news organization or by the organization to the EZLN for the work the reporter has carried out within our territories.
C. The reporter's work within our territories will be carried out under the reporter's and his respective organization's own risk and responsibility.
D. The reporter agrees to abide by the rules and regulations that may be applied within our territories and along our lines of combat.
E. The respective news organization and the reporter agree to report the truth of all events at all times.
4. The EZLN reserves the right to approve or reject any request for accreditation filed by any news organization or reporter.
5. All applicants must present some sort of document with a recent photograph to prove that they are indeed employees of the specific news organization in question.

Freedom, Justice, Democracy.

[Signed] Respectfully yours, Subcommander Marcos

[Issued] Somewhere in southeastern Mexico

Secretariat of Defense Denies Bombing Chiapas

PA2603165394 Mexico City Radio ACIR Network in Spanish 1605 GMT 26 Mar 94

[From the "ACIR Radio News" newscast]

[Text] In its Press Bulletin No. 33, the Secretariat of National Defense [SDN] has denied the assertions made in a communique datelined 24 March which the rebel group leadership in Chiapas State has been circulating. The communique states government airplanes released strange gases and bombed areas near the Comitan-Altamirano highway, causing serious fires, at dawn on 19 March 1994. The SDN hereby informs the public of the following:

1. The Secretariat of Defense flatly denies airplanes have bombed the area of conflict, because Army and Air Force troops have not fired a single shot since 12 January, when the president of the Republic ordered a unilateral cease-fire.

2. The SDN hereby confirms the pledge made in Press Bulletin No. 32 issued on 23 March to the effect troop movement in the area of conflict has been strictly administrative.

3. The SDN once again offers assurances it will not execute actions that may hinder the government's resolve to find a peaceful solution to the conflict.

Governor Denies Disruption of Peace Process

PA2703135494 Mexico City NOTIMEX in Spanish 0930 GMT 27 Mar 94

[Text] Tuxtla Gutierrez, Chiapas State, 27 Mar (NOTIMEX)—Chiapas State Governor Javier Lopez Moreno has denied the Zapatist National Liberation Army's (EZLN) "state of alert" is disrupting the peace process in the region. In remarks to the local press, he added the state government, which he heads, and the federal government will continue their steadfast efforts to promote and reach peace.

The EZLN, the governor has said, has respected the cease-fire. Bishop Manuel Ruiz, mediator of the Chiapas conflict, said on 26 March in San Cristobal de las Casas, the site of the peace talks between the EZLN and the federal government, the Zapatists' decision to halt the consultations and declare a state of alert responds to the country's prevailing situation. He added the date for the second peace talks has not been set yet.

The Zapatists, according to the communique issued 25 March and carried by the local and foreign media, came in the wake of the murder of Luis Donaldo Colosio, presidential candidate of the Institutional Revolutionary Party, on 23 March.

Peace Mediator Warns Against Return to Violence

PA2703025394 Mexico City Radio ACIR Network in Spanish 0143 GMT 26 Mar 94

["Special news bulletin" by Juan Carlos Antollo]

[Text] Today peace mediator Samuel Ruiz, bishop of San Cristobal de las Casas, reacted to the latest events in Mexico. He read a communique which states:

Regarding the assessment of the situation outlined in the 10-point communique issued by the EZLN (Zapatist National Liberation Army] on 24 March 1994, I consider it appropriate to present the mediator's views on the communique.

1. We understand the EZLN communique does not announce a break in the peace talks or an end to the cease-fire. On the contrary, the EZLN expressed its determination to maintain the cease-fire in keeping with its communique dated 12 January 1994.
2. We do not view the contents of the EZLN communique as a break in the dialogue but, rather, as a notification of an interruption in the consultation process, the second stage of which was to be held in the jungle. Regarding the text of the government's commitments and the next step for the dialogue, a path toward peace must be sought.
3. While denouncing hostile actions, which indeed could become possible in the wake of the grave attack on Luis Donaldo Colosio Murrieta, the EZLN made public its determination to declare a state of maximum alert in light of a possible confrontation.

[Begin Ruiz recording] After stating these points, we believe it is necessary to make a general appeal, considering the gravity of the situation, in order not to block those avenues leading toward peace. The exceptional circumstances we are experiencing demand we all seek the truth to guide our freedom [as heard].

False or distorted reports, ill-intentioned rumors, and slanderous attacks weaken the foundations of an atmosphere of understanding and good faith which is indispensable to engendering the birth of the new country we all desire. [end recording]

Bishop Samuel Ruiz made the aforementioned clarification because here in San Cristobal there are rumors that attacks are under way in various areas of Chiapas. These rumors were immediately denied, particularly after confirmation was sought in Ocosingo.

The San Cristobal bishop called on the media to act responsibly, because some media sources have reported unfounded rumors that have lead nowhere.

[Begin Ruiz recording] We all trust that the in-depth investigation regarding the events leading to the assassination of Luis Donaldo Colosio be objective, persuasive, and in accordance with the law. We hope that this will not become a pretext that might enable military thinking and its high social and human costs to once again prevail over rational dialogue and political negotiations. [end recording]

In the end, Samuel Ruiz said that at this time, society, social organizations, and mediation efforts must serve the path of peace and dialogue, adding that these efforts should again be reaffirmed and redirected toward their proper ends. He concluded that at this point in time, there is indeed a state of alert, but that this could be terminated quickly if we can hold a new dialogue to attain a long-awaited peace in Chiapas.

Camacho: Government Backs Peace Process

PA2703000094 Madrid EFE in Spanish 2152 GMT 26 Mar 94

[Text] Mexico City, 26 Mar (EFE)—Manuel Camacho Solis, the commissioner for peace and reconciliation in Chiapas, reported in a press release today, Saturday, that the Mexican Government and Army support the political negotiations and the peace process in resolving the armed conflict.

Camacho replied to charges made by the Zapatist National Liberation Army (EZLN) that the government was preparing an imminent attack against EZLN positions and had bombed an area close to the southern city of Comitan, approximately 1,200 km from Mexico City.

Camacho said he had sent a confidential communique to the EZLN on its main military concerns to clarify the current situation in the Chiapas conflict zone.

The peace commissioner asserted that despite the tense situation in Chiapas over the past weeks, both the Mexican Army and the EZLN had respected the truce and had complied with the agreed upon cease-fire.

The document signed by Manuel Camacho stated: "The dialogue and political negotiations halted the war and opened possibilities for an agreement, and this continues to be the only way to find a dignified peace in Chiapas."

The murder of Luis Donaldo Colosio, the presidential candidate of the Institutional Revolutionary party (PRI), prompted a situation of political uncertainty regarding the peace process and presidential succession. The EZLN said the PRI candidate's murder was a cowardly act and announced that its forces would be on red alert to counter an imminent attack from government forces, which it accused of increasing their military presence and preparing a military offensive.

The Zapatists accused the hard-line sectors and supporters of the military for the bloodshed in the country, Colosio's murder, and attempts to annul all peaceful efforts to democratize Mexico.

EZLN's Marcos Releases Document on Assassination

PA2603234894 Mexico City LA JORNADA in Spanish 26 Mar 94 p 19

[Document issued by Zapatist National Liberation Army Subcommander Marcos from the "mountains of southeastern Mexico" on 24 March; all uppercase words in postscript published in uppercase; all slantlines and ellipses as published]

[Text] To the national weekly PROCESO; to the national newspaper LA JORNADA; to the national newspaper EL FINANCIERO; to the local SCLC [San Cristobal de las Casas] newspaper TIEMPO; to the national and international press:

24 March 1994

Gentlemen: They... Why did they have to do this? Whom are they punishing with this attack? If they are trying to justify military action against us or against our flag, would it not have been better for them to have killed one of us? In this way, the country would have bled less than with this infamy we are now enduring. Did this man hurt anyone? Who was frightened by his dissension from the very group that attempted to keep itself in power through him? Who has gained by the shedding of his blood? Where were those who protected him? Who was the benefactor of that "pacifist" whose hand once again opened the heavy door of war? Does this make sense? Is it logical to blame the crime on peace in order to deny the possibility of peace? What will come next? How many more assassinations will follow before we can establish democracy, freedom, and justice?

We clearly understand the message this crime writes across the sky of the nation. Is it necessary for us to spill more of our blood? Well... we knew it, but he did not. Come. We are here, where we were born and where we grew up, where we have the great heart that supports us, where history and our dead reside. We are out here, in the mountains of southeastern Mexico... come and get us... we know how to greet each one of you and grant you your just desserts... both good and evil...

Beware. Nothing is safe anymore, much less the hope for peace. Okay.

From the mountains of southeastern Mexico

[Signed] Insurgent Subcommander Marcos

P.S.—FOR THOSE NO ONE SEES

Greetings, fellow Zapatist moles [topos]. We have sparkled thanks to your patient and clandestine work. The black night of infamy is upon us once again. The end of our era is coming. We promise to shine brightly until we outshine the sun before vanishing into thin air. Until the last hour we will embrace the clandestine side that supported our gleaming INTERIOR light that filtered through us to radiate this bit of history. We are at the front, like those who came before us. We will honor the dignity of our dead... Brethren moles, we are nearing the end of our path... It will then be your turn, dear moles. Do not forget what is represented by the steps we have taken. We were sincere in determining whether another door would open to our dim light. We must now learn a lesson from this lamentable tale. Never forget the word that made us great, even if it was only for a moment: ALL FOR ALL, NOTHING FOR US. Goodbye armed moles; have your flag ready and prepare yourselves and those who shall follow you. It is now your turn to cover your faces, erase your names, renege from your past, prepare your tender fury, and prepare your weapons, because peace is vanishing as rapidly as it came. Permit us, my faraway moles, as one final salute, to send you our left hand on the temple and also... [as published]

A GIFT AND A POLITICAL CLASS

A section of the moon... /but in reality it is not one/ but two sections:/ the section of the dark side of the moon/ and the section of the bright side of the moon. /And here, what one must understand/ is that the section of the moon that shines /does so because there is a dark side./ It is the dark side of the moon /that makes the bright side/ of the moon possible. The same holds true for us. /If we are to become the dark side of the moon/ it does not mean that we have been cheapened /but that we are ready/ to be the dark side /which makes it possible for all to see the moon/ (and in the end, /the dark side is more valuable/ because it shines for other eras /and because to see it/ one must learn to fly at extreme heights).

Moreover, this is how /there can be a few people prepared/ to suffer so that others do not suffer /and to die/ in order that others may live, and this is so /because of boots [botas], moon, etc./ period. [sentence as published]

Okay, my venerable moles, we shall meet again under the earth...

[Signed] Subcommander Marcos

Marcos Comments on Colosio Murder

PA2603003994 Monterrey EL NORTE (Foreign Edition) in Spanish 25 Mar 94 p 24A

[Report by Juan Manuel Alvarado]

[Text] Lacandona Jungle, (APRO) [expansion unknown]—Subcommander Marcos, spokesperson for the Zapatist National Liberation Army [EZLN], said that the only ones to gain from the murder of Luis Donaldo Colosio [Mexican Institutional Revolutionay Party, PRI, presidential candidate] are those pressure groups that are opposed to peace. Monsignor Samuel Ruiz, the bishop of San Cristobal de las Casas, warned of the danger of destabilization.

In an interview on the night of 23 March on the outskirts of a town in the Lacandona Jungle, Marcos said that "at the beginning Colosio was a sure thing to be elected for Carlos Salinas de Gortari's position. However, he began

to change his discourse and his line of action. The ruling pressure groups who have always opposed the peace talks in Chiapas are the ones who gain from this action. The EZLN loses, mediator Samuel Ruiz loses, and peace Commissioner Manuel Camacho Solis loses."

He explained that the country now faces a crisis, not only within the PRI campaign but also within all the other parties, which will now have to redefine their strategies. Marcos said the upcoming political changes were the result of the 1 January armed uprising. He said the Colosio he saw on the campaign trail was always wise in addressing the EZLN. "He never spoke of us as criminals. As I see it, he had begun to steer away from the Salinas strategies. He was trying to draft his own ideas and to recognize that there are in fact very deep social problems. The Zapatists had seen the face of Salinas de Gortari in the PRI presidential candidate—the same economic plan with the same political ties and similar social cost," Marcos said. "But he had tried to change that. We do not know what will happen now that he has died."

Colosio Assassin Tied to 'Several' Armed Groups

PA2603171694 Mexico City Radio ACIR Network in Spanish 1600 GMT 26 Mar 94

[From the "ACIR Radio News" newscast]

[Text] Mario Aburto Martinez, who assassinated Luis Donaldo Colosio Murrieta, had maintained ties with several armed groups in various Mexican states, according to his testimony before the attorney general moments after murdering the PRI [Institutional Revolutionary Party] candidate. Aburto refused, however, to name the armed groups and the regions in which they operate or to say whether he acted alone or if the assassination was part of a plot. He also denied belonging in the past or at present to any political party or religious sect.

Official on Interrogation

PA2603035594 Mexico City Radio ACIR Network in Spanish 0014 GMT 26 Mar 94

[Report by Francisco Mendoza from Tijuana, Baja California; from the "ACIR Radio News" newscast]

[Text] The possibility that more than one person took part in the attack against Luis Donaldo Colosio was strongly suggested today by Jose Luis Perez Canchola, the Baja California human rights attorney general, who was present when Mario Aburto Martinez was interrogated for approximately two hours.

The local ZETA weekly magazine has reported that the FBI believes that Aburto could be part of a left-wing political group. The publication added that someone had shouted "kill him!" just seconds before the first shot rang out. If this is true, it confirms Perez Canchola's statements that another person was in on the crime and was at the site of the assassination.

The Attorney General's Office has confirmed that the DEA and FBI are helping with the criminal investigation and have started to check on several of Aburto's relatives in California. I will now play the tape [previous word in English] with Perez Canchola's statements. Here it is:

[Begin recording] [Perez] We were all present and heard this man's statements [words indistinct] so calmly and with an complete control of his nerves. He spoke with a firm voice when he answered [words indistinct]. Furthermore, he was extremely adamant in his refusal to answer most of the questions that were asked.

Because of the gravity of this event, the strong supposition has emerged that this was an act organized by more than one person. It would have taken a very extraordinary person to carry out this action single-handedly. It had to be carried out by someone with a great deal of education and training, as he himself has stated.

It is evident from his statements that he organized the act. He bought a weapon with which, over a period of time, he conducted target practice in a field—a field he did not identify in his testimony. He specifically told us that his intention was to wound candidate Colosio to call the media's attention to pacifism and to enable him to talk publicly about pacifism. [words indistinct] his statements. He said that after being pushed and in the process of [words indistinct]. You [reporters] were there and know what happened, right?

I must say that while giving general facts and other scant details about this action, he answered with a great deal of serenity. He was asked about the possibility of being part of a group, and he was questioned on his preparations in carrying out this action. He refused to reply to any of these questions. [words indistinct] but he always refused to reply. He even refused to sign the testimony documents.

I have to say that I only saw him appear nervous once. I noticed this because I saw his eyes widen and look incredulously at the person. This was when they informed him that candidate Colosio had died. He started to mumble something, but he fell silent and immediately resumed his position of refusing to answer any question.

This is what I perceived about him. He is a young person, 23 years old, who has the apperance of a worker. He showed a great deal of self-confidence during the entire time I was with him. To have done what he did, it seems to me that any person would show signs of anxiety, but he was extremely calm. I saw him walk briskly from one office to another. It appears he prepared himself psychologically for some time to do what he did.

[Unidentified reporter] Why do you think he acted like this? Do you think he is aligned with an organization or that he acted with a friend or was encouraged by someone else?

[Perez] I agreed to talk to you only about what I saw at the meeting [words indistinct] the rest is speculation. I have only dared think... [pauses] the magnitude of this criminal act and his conduct have led me to believe that more than one person was involved. [end recording]

Attorney General Views Probe

PA2703044194 Mexico City NOTIMEX in Spanish 0115 GMT 27 Mar 94

[Text] Mexico City, 26 Mar (NOTIMEX)—Police in Mexico today denied reports that the person presented to the media as the alleged killer of presidential candidate Luis Donaldo Colosio is not the same individual originally arrested.

Attorney General Diego Valadez Rios said in a news release that the person being held, Mario Aburto Martinez, 23, "authorized" prison officials to shave off his moustache, which he was wearing in the first photographs that were released.

The attorney general, who is in charge of prosecuting federal offenses, stressed: "Let there be no impression that there has been any kind of switch or some sort of cover-up."

Privately owned television stations have broadcast footage of Aburto's arrest. At the time of his arrest, just after he had shot Colosio, presidential candidate for the Institutional Revolutionary Party (PRI), he was wearing a moustache.

On Friday, authorities presented an individual to the media they identified as Aburto. The man was behind bullet-proof glass at the Almoloya High Security Prison in Juarez, Mexico State, close to the Mexican capital.

The murder occurred just as Colosio was leaving a campaign rally in the northwestern city of Tijuana, Baja California, near the U.S. border.

Valadez said the investigations into the Colosio murder were being handled with the utmost clarity, honesty, seriousness, impartiality, and respect for the law and the press to maintain public trust in the law enforcement institutions.

Fingerprint records and all of the material regarding the investigation have been made available to the proper authorities and to the press to avoid speculation.

A second person, Vicente Mayoral Valenzuela, was arrested in connection with the incident, but he was released later.

Valadez said that the suspect made his initial statement yesterday before the Mexico State First District Judge, during which he reaffirmed his original confession.

He added that there has been significant progress regarding information about the suspect's rearing and current lifestyle. Valadez reported that investigators have interviewed Aburto's family and other witnesses, and he denied that there is any other person in custody.

Report Questions Whether Killer Acted Alone

PA2703040994 Mexico City Radio ACIR Network in Spanish 0131 GMT 27 Mar 94

[Text] Newspapers are insisting there are still many holes in the investigation into Luis Donaldo Colosio's slaying. It has been said that two men may have killed Colosio. The bullets that killed PRI [Institutional Revolutionary Party] presidential candidate Luis Donaldo Colosio may have been fired by two attackers, Mario Aburto Martinez and Jose Antonio Sanchez Ortega, because paraffin tests conducted on both men turned out positive. Tijuana Judicial Police Commander Jorge Alvarez Barrieri made this announcement.

However, the Attorney General's Office has stated that Mario Aburto Martinez is the only assassin and that he has confessed to firing two shots. The press also reported that 17 people at one time or another had owned the gun with which Colosio was killed on the tragic evening of 23 March in Tijuana, Baja California.

There has also been speculation about statements made by Mario Aburto Martinez after he was arrested following Colosio's killing. According to Jose Luis Perez Canchola, Baja California human rights ombudsman who was present during the questioning, it is very unlikely the killer acted alone. It was also said that Mario Aburto Martinez is refusing to answer questions concerning which armed groups he may have belonged to, or whether he acted alone or whether the attack was part of a conspiracy.

I must remind listeners that these are not official statements by the Attorney General's Office. I am just reporting what has been said aside from official statements from the Attorney General's Office.

It has been reported that Mario Aburto Martinez said in his deposition that he purchased the .38-caliber gun in California to injure Luis Donaldo Colosio, to attract the media's attention, and to explain his pacifist ideas before the national and international press, as well as to disclose information he has on armed groups in different areas of Mexico. None of the aforementioned statements is official.

It was also mentioned that Mario Aburto Martinez may have belonged to a political group. His girlfriend said he spent four weeks in Chiapas. It was also confirmed that he was influenced by the sect known as the Jehovah's Witnesses. It has also been learned that residents of Zamora, Michoacan, have been angered by this situation, because Zamora, Michoacan, is the hometown of Mario Aburto Martinez, who has confessed to having fired on and killing Luis Donaldo Colosio.

Commission Created To Investigate Colosio Murder

PA2503200394 Mexico City Radio ACIR Network in Spanish 1500 GMT 25 Mar 94

[Text] The Mexican Congress factions have unanimously approved the creation of a special multiparty commission to investigate Luis Donaldo Colosio's assassination.

The Congress' Permanent Commission signed an agreement declaring 25 March a day of national mourning for Colosio's death. The agreement was signed by the 10 parliamentary factions represented in the legislative body. The multiparty commission also agreed unanimously to conduct the investigation and keep the Legislative Branch informed.

This commission is made up of Senators Ernesto Lucre of PRI [Institutional Revolutionary Party] and Hector Teran of PAN [National Action Party], as well as Deputies Gustavo Carvajal of PRI, Alejandro Alcidas of PRD [Party of the Democratic Revolution], Alfredo Castaneda of PARM [Authentic Party of the Mexican Revolution], Juan de Dios Castro of PAN, and Cuauthemoc Amezcua of PPS [Popular Socialist Party].

Commission Debates Probe Into Slaying

PA2703035694 Mexico City Radio ACIR Network in Spanish 0123 GMT 27 Mar 94

[Report by Jose Luis Armenta]

[Text] [Armenta] The Congressional Permanent Commission opened a special meeting at 2330 today.

[Announcer] It started late, right?

[Armenta] Yes, the meeting started 30 minutes behind schedule. The legislators are currently debating whether to give Supreme Court Justice Miguel Montes a temporary authority to conduct an investigation that will clarify Luis Donaldo Colosio's murder. A few minutes ago, PRD [Party of the Democratic Revolution] Senator Porfirio Munoz Ledo said his party will vote against appointing Miguel Montes as special deputy prosecutor in the Colosio murder case, because his appointment was made unilaterally and because it does not guarantee an impartial investigation.

[Begin Munoz recording] We do not believe a decision such as the one presented today before the Permanent Commission will favor the clarification of this case, and it is even less likely to satisfy the desire of Mexican citizens, political forces, and the entire country to have clear, honest, and truthful proceedings. Therefore, we will openly vote against this proposal. [end recording]

Nevertheless, PAN [National Action Party] and PRI [Institutional Revolutionary Party] legislators have announced that they will vote in favor of Miguel Montes' appointment, because the country urgently needs to clarify Luis Donaldo Colosio's murder and Justice Montes has shown professional proficiency in this area.

The Permanent Commission will also discuss and, perhaps approve, the appointments of Miguel Mancera Aguayo as governor of the Banco de Mexico board and Guillermo Prieto Fortun, Ariel Buira Siera, Jesus Marco Jacaman, and Francisco Gil Diaz as deputy governors.

[Announcer] Jose Luis, it had been constantly rumored that this special meeting could also call a special session of Congress to modify the Article 72, Paragraph 6 of the Constitution. This is the section that includes requirements for running for public office. For example, state secretaries who want to run for a federal post currently must resign six months before Election Day. If this section is reformed, it would allow cabinet members to be considered in the selection process for a candidate to replace Luis Donaldo Colosio. However, this issue will not be discussed, right?

[Armenta] No, the issue will not be discussed at this meeting. This rumor started yesterday when Maria de los Angeles Moreno, the president of the Permanent Commission, called for a special meeting but did not specify the meeting's agenda. The points to be debated at this special meeting were not revealed until today.

Government Secretary: Electoral Process Continues

PA2503204794 Mexico City Radio ACIR Network in Spanish 1938 GMT 25 Mar 94

[Report by Elizabeth Diaz]

[Text] Government Secretary Jorge Carpizo McGregor said at noon today that Luis Donaldo Colosio's assassination must not, indeed cannot, inhibit the Mexican people's resolve to express their sovereign will in the upcoming elections. He gave assurances that the electoral process will continue under the guiding principles of legality, impartiality, security, and objectivity. This important statement to the news media, especially after the tragic events we have experienced, means that the people who are in charge of domestic policy are ensuring stability and that the conditions are given to continue the electoral process leading up to the election of the Republic's next president and congress.

Dr. Carpizo urged the political parties to assume the pledge the moment demands. He said that according to the law problems should not lead to undesirable confrontations, the results of which affect everyone. Differences should be settled through dialogue and reason and within the framework of the law. Dr. Carpizo explained that the Mexican people are opposed to impunity and are demanding justice and security.

[Begin Carpizo recording] Let us close a tragic page of our history and cling to the hope of a better fatherland, one that is firm in its convictions and zealous about its pledge of loyalty to the most noble human ideals. The time has come to prove that Mexico's values are firm, that it possesses the necessary maturity to function cohesively and with absolute respect for the law, and that

it can behave in a manner that is consistent with its convictions concerning the preservation of peace and the democratic institutions that guarantee our social coexistence. All of this, of course, within the de jure state that governs us. [end recording]

Mexico, Dr. Carpizo added, is a strong country and will unquestionably emerge from this tragedy as a stronger country.

I also spoke with Federal District Attorney General Diego Valades, who held a private meeting with Government Secretary Carpizo. During an interview this afternoon, Valades told us that the authorities will take all the time that is necessary to resolve Colosio's assassination. He added that there is no threat of instability in Mexico.

[Begin Valades recording] The country is lining up and ought to line up behind a progressive awareness of unity. Moreover, and this is very important, we Mexicans should have confidence in ourselves. The tragic and regrettable events you referred to have certainly been a source of worry for the community, but we Mexicans should not lose our self-esteem. That would be the worst thing for us to lose. [end recording]

Valades concluded that at 1700 this afternoon the Attorney General's Office will release a statement on the progress that has been made in the investigation of the assassination.

Congressional Commission To Convene on Electoral Law

PA2603025994 Mexico City Radio ACIR Network in Spanish 0000 GMT 26 Mar 94

[Report by Jose Luis Armenta from the "ACIR Radio News" newscast]

[Text] Deputy Maria de los Angeles Moreno, president of the Congressional Permanent Commission, issued a communique which states the following:

Based on Article 112 of the basic law of the Mexican Congress, we convene all members of the Permanent Commission to sessions that will be held in the Legislators Room of the San Lazaro Legislative Palace at 1700 on Saturday 26 March.

The agenda for this special session has not been announced. However, it has been unofficially mentioned or speculated that the Permanent Commission could convene a special session of Congress. The purpose of this special session could be to reform the electoral law. That is what we have for now.

PRI Sources on Possible Colosio Replacement

PA2603014794 Mexico City LA JORNADA in Spanish 25 Mar 94 p 24

[Report by Ricardo Aleman Aleman and Oscar Camacho Guzman]

[Text] The PRI [Institutional Revolutionary Party] should choose its new presidential candidate by Sunday at the latest, according to sources of the PRI National Executive Committee. Inside the party the names mentioned as possible successors for Luis Donaldo Colosio Murrieta are Fernando Ortiz Arana, Ernesto Zedillo Ponce de Leon, Fernando Gutierrez Barrios or "possibility another former governor."

The same sources recognized that the two days of national mourning—Thursday and Friday—in memory of the former PRI presidential candidate "in addition to being justified, served the federal government by giving it time to maneuver in the face of a possible destabilization of the financial markets."

The PRI has not decided yet how the new presidential candidate will be chosen, but "it is clear" that the decision will not be prolonged past this coming Sunday. The reason for this is that both the PRI and the government would be running a big risk if they do not contain as soon as possible the emotions unleashed by the assassination of Colosio Murrieta. The credibility of the PRI ranking leadership could be undermined, and there should be security in the economic sphere to avert a financial disaster.

In the meantime, in the Chamber of Deputies a general comment heard among legislators and leaders was that following the assassination of Luis Donaldo Colosio serious tensions have arisen between the federal government and old PRI members, some of whom belong to the National Political Council. Several leaders said the reason is because in the PRI political ranks they are demanding that it not be the president, as the foremost PRI leader, who chooses the new candidate. They are demanding this to avoid "an erroneous decision," which might cause more friction and internal breaks. The stalwart PRI political class demands a part in the designation of the new candidate.

Senator Humberto Lugo Gil spoke yesterday about the mechanisms that would have to be followed. He contends that the new election should be carried out in keeping with the statutes. It would require that the National Executive Committee convoke the Political Council in order to issue a call for the registration of candidates. The senator for Hidalgo denied that the announcement would be made in a surprise manner between Thursday and Friday night. He said that the period of national mourning should be observed first out of respect for the memory of Colosio.

According to the sources of the Executive Committee, the PRI machinery will be in motion again tonight, once

the leadership sectors have attended the funeral for Luis Donaldo Colosio Murrieta in his native hometown of Magdalena de Kino, Sonora. In other words, they will conduct a meeting of the Political Council, which would have to meet on Saturday to announce a call for the registration of presidential hopefuls, if the tradition is to be followed. Otherwise, according to its statutes, the council is empowered to designate a presidential candidate.

At the same time, results were obtained of an assessment made among PRI deputies regarding the possibility of resorting to constitutional reforms to give the PRI a broader margin of maneuver in view of the situation surrounding the wake for Luis Donaldo Colosio Murrieta.

For the time being, the PRI has ruled out "forcing the Constitution" and promoting amendments to eliminate the requisite established in Article 82 of the Constitution that persons who aspire to being presidential candidates must resign six months before the elections.

It was also considered unadvisable to change the date of the scheduled 21 August elections. In this respect, Maria de los Angeles Moreno, president of the Grand Commission of the Chamber of Deputies, said in an interview that the elections "should be held on the date established by law."

The PRI legislator appealed "for calm, peace, prudence, and unity, because times of crisis and confusion are when we most need prudence and when we must rally around the president of the republic."

Regarding the presidential hopefuls within the PRI, Fernando Ortiz Arana has a good chance, because he would represent a unifying force among those groups that voiced opposition to the presidential candidacy. He is considered to be one of the most politically experienced politicians, but he is also criticized for lacking experience as a businessman and because he has no connections to the financial and economic communities.

Ernesto Zedillo Ponce de Leon is said to be the "natural replacement" for Colosio. In fact, as a coordinator of past PRI political campaigns, the party's unwritten rules would naturally tend to select him to replace Colosio. Important factions within the PRI, however, believe "he has not matured" and that his nomination "might signify maintaining the status quo of the political system."

Regarding Fernando Gutierrez Barrios, former Veracruz governor and former government secretary, there are those who believe he could play a decisive role in enforcing internal party discipline and, above all else, in overcoming the nationwide unrest that is following in the wake the Indian armed uprising, the kidnapping of Alfredo Harp Helu, and the assassination of Colosio Murrieta.

Communique on Process for Replacement

PA2603214194 Mexico City Radio ACIR Network in Spanish 1922 GMT 26 Mar 94

["Special report" by the Radio ACIR Network News Department]

[Text] [Station announcer] Since early this morning at the headquarters of the Institutional Revolutionary Party [PRI], there has been considerable activity among members of the National Executive Committee. At noon, Fernando Ortiz Arana, president of the National Executive Committee of the PRI, arrived at PRI headquarters after spending most of the morning at the Los Pinos Presidential Residence.

Again, I want to stress that there is a great deal of activity at PRI headquarters. Let us go now to PRI headquarters, where we have Rosie Ahuactzin Vasquez standing by. Rosie, good afternoon.

[Ahuactzin] Thank you, and good afternoon to you. Given the anxiety here at PRI headquarters, Fernando Ortiz Arana, president of the PRI National Executive Committee, has issued a news release. This news release says: The PRI continues to remain loyal to the democratic and libertarian ideology endorsed by the party, as well as to remain loyal to President Carlos Salinas de Gortari, who serves as the guardian of the nation's faith, justice, and the de jure state.

Fernando Ortiz Arana said the PRI National Executive Committee has disavowed—and this should be stressed—any expression of support in favor of any candidate until the PRI establishes the internal procedures for conducting this unprecedented process.

For the PRI, as well as for all of Mexico, the president of the PRI National Executive Committee added that these days are a time of mourning and reflection, and, therefore, in due time an internal process based on the party's bylaws will be initiated to select the new candidate.

Ortiz Arana also stressed that the party remains united behind the ideological and political program proposed by Luis Donaldo Colosio, because his colors were the same as those of the PRI. Fernando Ortiz Arana reiterated that on behalf of the PRI National Executive Committee, no member or official of the party is authorized to make statements on the election of possible presidential candidates. He expressed this process must conform to existing bylaws.

This is what the news release issued by the PRI said. In short, it indicates that we will have to wait a little longer before a new presidential candidate is selected. I must repeat, however, there is a great deal of activity within the PRI offices. There are even three mobile television units here. There are also a large number of foreign reporters and, of course, domestic journalists.

[Station announcer] Could you please repeat the basic points of this news release just issued by Fernando Ortiz

Arana, president of the PRI National Executive Committee, warning PRI forces and leaders not to publicly endorse any individual? The news release also said the PRI National Executive Committee, in keeping with the party's statutes, will in due time report the name of the candidate who will replace Luis Donaldo Colosio on the PRI ticket, correct?

[Ahuactzin] Fernando Ortiz Arana's news release says we are in a time of mourning; at least nine days of mourning will be observed. He said the party disavows any expression of support in favor of any individual until the PRI, in accordance with its bylaws, establishes the procedure for conducting this internal process, which is unprecedented. He also spoke of the need to maintain loyalty toward the democratic and libertarian ideology of the party, as well as to remain loyal to President Carlos Salinas de Gortari.

Not long ago here in the press room, a news conference was held by the so-called Democracy 2000 group, which reiterated its support for Luis Donaldo Colosio to be replaced by Fernando Ortiz Arana. The news release indicates Fernando Ortiz Arana is very upset with this news conference by Democracy 2000. He said this group's position has been renounced, adding that no endorsement should be made until the members of the Political Council meet to determine the process for selecting the new candidate.

In addition, Mario Moya Palencia, who was appointed secretary of the PRI Ideology Commission by Luis Donaldo Colosio, has stated that the party is in no hurry to select a new presidential candidate. He explained that everything must be done in accordance with the party's statutes and within the framework of the law in an effort to avoid divisions within the party.

Poll: Camacho Solis Favored To Replace Colosio

PA2703022494

[Editorial Report] Monterrey EL NORTE (Foreign Edition) in Spanish on page 16A of its 25 March edition carries a 300-word item highlighting the results of a survey on people's views in the wake of the 23 March assassination of Luis Donaldo Colosio, presidential candidate for the Mexican Institutional Revolutionary Party (PRI).

The item, published under the heading "Opinion Concerning the Attack," comprises four pie charts and four graphs that show the results of the survey, which questioned an unidentified number of Monterrey and Mexico City citizens on issues ranging from the possibility of rescheduling the presidential elections to who should replace Colosio on the PRI presidential ticket.

Most citizens polled in Monterrey and Mexico City believe that the date for the scheduled 21 August elections should not be changed and that there likely is a covert mastermind behind the crime. Of the citizens polled in Mexico City, 54 percent responded by saying the date of the elections should not be changed, while 51 percent of Monterrey citizens opposed changing the date of the elections. Of those polled in Mexico City, some 15 percent believe opposition parties are behind Colosio's killing, followed by fellow PRI members (11 percent); Manuel Camacho Solis, commissioner for peace and reconciliation in Chiapas (9 percent); the government (9 percent); Party of the Democratic Revolution candidate Cuahutemoc Cardenas (3 percent); the Zapatist National Liberation Army (1 percent); drug traffickers (1 percent); and foreigners (1 percent). Also, 39 percent of those polled in both Mexico City and Monterrey said they believe the motive behind the killing was political.

Meanwhile, 20 percent of those polled in Mexico City said the killing will bring about more violence and will destabilize the country. Regarding people's preferences to replace Colosio, 36 percent of those polled in Mexico City said they favor Manuel Camacho Solis, who was followed by Pedro Aspe Armella (4 percent), Ernesto Zedillo Ponce de Leon (6 percent), Fernando Ortiz Arana (5 percent), Jaime Serra Puche (2 percent), Jorge Carpizo (6 percent), and Fernando Gutierrez Barrios (2 percent).

Extra Security for Presidential Candidates

PA2603215694 Mexico City NOTIMEX in Spanish 1933 GMT 26 Mar 94

[Text] Mexico City, 26 Mar (NOTIMEX)—Mexico City Mayor Manuel Aguilera Gomez today announced that additional steps are being taken to bolster security for presidential candidates while they campaign in the capital. The additional measures are designed to help guarantee the candidates' personal safety.

"There will be more (police) units at the political events they (the candidates) attend," Aguilera told reporters. "Some have accepted this, but others, such as Diego Fernandez de Cevallos, the presidential candidate of the conservative National Action Party, oppose the move. I believe it would be desirable if they all would agree to accept the additional security."

The move was ordered in the wake of the assassination of Luis Donaldo Colosio, the presidential candidate of the Institutional Revolutionary Party (PRI) who was killed at a political event in Tijuana in northern Mexico on Wednesday. All eight opposition candidates participating in the presidential elections scheduled for 21 August have condemned Colosio's murder.

PAN Official on Economy, Assassination Inquiry

PA2603032294 Mexico City Radio ACIR Network in Spanish 0000 GMT 26 Mar 94

[Report by Jose Luis Armenta; from the "ACIR Radio News" newscast]

[Text] Today Gonzalo Altamirano Dimas, National Action Party [PAN] deputy and president of this political institution in the Federal District, said no one should bet on the worsening of economic and political problems. He pointed out that even though the Mexican Stock Market has seen a decrease in the number of transactions, this is a natural phenomenon because of the recent assassination of Luis Donaldo Colosio [Institutional Revolutionary Party, PRI, presidential candidate]. In an interview, Gonzalo Altamirano Dimas said stability in the Mexican Stock Market will depend on immediate actions by the government.

[Begin Altamirano recording] The interests of the country should prevail over other interests no matter how legitimate they may be. We want the death of Colosio to be cleared up and explained. We join the demand that exists. We want an in-depth investigation. Those responsible should be arrested and punished with the full weight of the law. We also believe the 1994 election process should be clean and legitimate. I believe it all goes together. Whoever wants to bet against this situation would be sowing uncertainty and possibly violence in the country. We do not want that. [end recording]

Gonzalo Altamirano Dimas, president of the PAN in the capital, also said the PRI should have a new presidential candidate soon because he will have to conduct an intense campaign as the opposition is already getting the citizens' support.

In addition, deputies from the Party of the Democratic Revolution [PRD] rejected all kinds of violence and sent their condolences to the relatives of Luis Donaldo Colosio. In a news conference, the PRD deputies demanded a thorough investigation of the PRI candidate's assassination and demanded that those found guilty be punished. PRD Deputy Alejandro Encinas said the commission that will investigate the attack on Luis Donaldo Colosio has begun to operate and will be in Tijuana on Saturday to meet with the high-ranking federal authorities. The PRD deputy said the area where the attack took place will be studied and a detailed report will be drafted that will be submitted on Monday to the Congressional Permanent Commission, which will also hold sessions on that day. That is all we have for now.

Chamber of Deputies Urges Avoiding Speculation

PA2503204894 Mexico City Radio ACIR Network in Spanish 1949 GMT 25 Mar 94

[Report by Jose Luis Sarmiento from the Chamber of Deputies in Mexico City]

[Text] No one should speculate, so that the economic and political problems in the country do not worsen. This statement was made by Gonzalo Altamirano Dimas, a deputy from the National Action Party [PAN] and party president in the Federal District. He added that although the Mexican Stock Exchange [BMV] has experienced some drops, this is something natural due to the recent murder of Luis Donaldo Colosio. In an interview, Gonzalo Altamirano Dimas said that the stability of the BMV will depend on immediate actions by the authorities.

[Begin Altamirano Dimas recording] We must be prudent, the country's interests must prevail over all other interests, regardless of how legitimate these may be. The death of Mr. Colosio must be cleared up. We join this clamor for a thorough investigation and that the persons responsible for the attack be arrested and punished with the full weight of the law. [end recording]

Meanwhile, the parliamentary group of the Party of the Democratic Revolution [PRD] has also rejected all ties with violence. In a news conference, the PRD wing at the Chamber of Deputies sent condolences to the family of Luis Donaldo Colosio Murrieta. The party demanded a thorough investigation and clarification of the presidential candidate's murder.

PRD Deputy Alejandro Encinas announced the commission to investigate the attack on Luis Donaldo Colosio has begun to work and will be in Tijuana early Saturday morning to meet with the highest federal authorities, study the area where Colosio was killed, and prepare a detailed report that will be presented on Monday to the Permanent Commission of the Congress.

Financial Leaders Urge Investors To Remain Calm

PA2503190294 Mexico City Radio ACIR Network in Spanish 1600 GMT 25 Mar 94

[From the "Panorama Newscast"]

[Excerpts] [passage omitted] The Mexican financial sector has asked investors to remain calm and to trust the country's economic plan. Interviewed separately, Manuel Robleda, Antonio del Valle, and Roberto Hernandez have agreed Mexico's economic program is more viable now than ever.

Robleda, president of the Mexican Stock Market, has explained Mexican negotiable documents for sale on international markets over the past two days have received reactions which although not favorable were not negative; thus, he said, investors should maintain their usual calm.

Meanwhile, Antonio del Valle, director of the (?Premio International Group), has said this is not the time to speculate, but rather to work for the economy's success.

Roberto Hernandez, president of the Mexican Association of Banks, has urged everyone to remain calm, because Mexico's economic stability is real; thus, he said, investments should be made in pesos. [passage omitted]

Interviewed after the second confirmation of the economic pact, Hernandez, who is also a National Bank of

Mexico board member, said Mexico's induction into the OECD clearly proves Mexico is considered a first world country.

Private Sector Guarantees No Change in Economy

PA2503153794 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 25 Mar 94

[From the "Early Morning" newscast]

[Text] The Mexican private sector has guaranteed that the violent events that led to the death of Luis Donaldo Colosio will not change the economic course of the nation nor will they provoke flight of capital or depreciation of the peso. The reason for this is because Mexico has solid instruments for confronting possible alterations in the financial markets.

[Begin unidentified entrepreneur recording] We feel that we have a solid project, particularly if we all defend it. [end recording]

The entrepreneur pointed out that an emergency plan is not needed, nor any additional measures other than the ones agreed upon in the current agreement. Nonetheless, he warned that we must be very cautious and not allow strange forces to manipulate us and alter the economic and political program or even lead to destabilization.

[Begin Antonio Sanchez Diaz de Rivera, president of Mexican Employers Confederation, recording] Some are trying to attain that destabilization. Nonetheless, if all sectors are united and there is social unity, and if authorities and society act jointly to prevent it, we will definitely prevent it. [end recording]

In matters of politics, the businessmen pointed out that although the death of the PRI [Institutional Revolutionary Party] presidential candidate will somewhat tarnish the electoral process, they ruled out the possibility that the elections be postponed beyond 21 August.

[Begin Ricardo Dajer Nahum, president of Confederation of National Chambers of Commerce, recording] I think the elections must be held on 21 August. I feel we cannot allow the objectives of those who have provoked a series of events—that we denounced in a certain way last week—to be attained. [end recording]

As for the financial markets that remain closed on Thursday as a sign of mourning, Manuel Robleda, leader of the Mexican Stock Market, urged investors to be prudent, as it was observed in the foreign market that Mexican Government debt titles registered a moderate drop.

Throughout the financial institutions, the polled businessmen said they were determined to continue working for the benefit of the economic project.

[Begin recording] [Unidentified businessman] The economy must remain at the same level it is now. It must maintain the same standards of living we have and continue working as usual.

[Second unidentified businessman] There will not be any movements that will change our country's way of living. [end recording]

New Bank Governor Says Economy Remains 'Firm'

PA2703232494 Mexico City XEW Television Network in Spanish 1706 GMT 27 Mar 94

[Report by Juan Jose Prado from the "This Sunday" newscast]

[Text] The Permanent Commission of Congress has approved those Banco de Mexico officials who will lead the institution in its new autonomous era. The general director of the Board of Governors is Miguel Mancera Aguayo and the deputy governors are Guillermo Prieto Fortun, Ariel Buira Siera, Jesus Marco Jacaman, and Francisco Gil Diaz.

In leaving the Permanent Commission conference room, newsmen asked Mancera Aguayo whether the nation was facing the risk of an economic crisis. He answered:

[Begin Mancera recording] Nothing of the sort. The economy is very firm. The country has strong reserves and the markets are calm following yesterday's transactions. [end recording]

Mr. Mancera refused to disclose the exact amount of Banco de Mexico's international reserves. He said this information is reported every four months, and added that it is not an appropriate time now to release this information. He did say, however, that the bank has attained its highest level of international reserves ever.

Mancera also commented on the Institutional Revolutionary Party's [PRI] political situation and its impact on the economy.

[Begin Mancera recording] The prompt designation of a new PRI presidential candidate is very desirable. Political calm greatly contributes to economic stability. [end recording]

The Permanent Commission of Congress will resume its sessions Monday.

Roundup of Reaction to Colosio's Assassination

PA2403170994

[Editorial report] The following is a compilation of reactions to the assassination of Institutional Revolutionary Party (PRI) presidential candidate Luis Donaldo Colosio Murrieta on 23 March in Tijuana, Baja California.

Today, Costa Rican President Rafael Angel Calderon expressed deep sorrow for Colosio's murder to Mexican President Salinas. Calderon said the assassination will "obviously" have repercussions on the Mexican elections, and added that problems in Mexico and all countries should be resolved through dialogue. (Panama City ACAN in Spanish 1559 GMT 24 Mar 94)

Today, Salvadoran news media extensively covered Colosio's assassination. Foreign Ministry sources informed ACAN-EFE that the government has not issued an official statement concerning the assassination yet. (Panama City ACAN in Spanish 1530 GMT 24 Mar 94)

Guatemalan political leaders expressed regret and condemnation of Colosio's assassination. National Congress President Vinicio Villar, a Christian Democrat, said social differences should be resolved through dialogue and not with weapons. The Union of the National Center (UCN) issued a communique expressing regret for Colosio's death and compared it to the 1993 murder of UCN presidential candidate Jorge Carpio Nicolle. A number of newspapers also carried front-page reports of the incident. (Panama City ACAN in Spanish 1453 GMT 24 Mar 94)

Today, the Nicaraguan Government condemned Colosio's assassination "in the strongest of terms." An official message released by the Social Communications Directorate of the Nicaraguan Presidency said that "actions like these, in addition to being strongly rejected by the Nicaraguan Government, constitute a flagrant violation of the basic principle of the right to life." Meanwhile, Tomas Borge, a member of the Sandinist National Liberation Front (FSLN) directorate, described the murder as "abominable," adding that Colosio was "a man with progressive views who stressed the need for profound democratic changes in Mexico." Bayardo Arce, another FSLN leader, also condemned Colosio's death, characterizing it as a loss for Mexico and the entire world. The tragic event has been widely covered by Nicaraguan newspapers. (Panama City ACAN in Spanish 1517 GMT 24 Mar 94)

Today by telephone, Panamanian President Guillermo Endara extended his condolences for Colosio's death to his Mexican counterpart Carlos Salinas de Gortari and Colosio's family. Endara also issued a statement to ACAN-EFE which read: "May this painful incident in Mexico serve as a lesson to every nation, in the sense that the ballot is the only valid means of settling political differences." (Panama City ACAN in Spanish 1500 GMT 24 Mar 94)

Today, Ernesto Perez Balladares, presidential candidate of Panama's Democratic Revolutionary Party (PRD), rejected Colosio's assassination and said it may be part of a plan to destabilize the Mexican state. Perez, a personal friend of Colosio's, said that unless the law is changed, the PRI may be without a candidate which is absurd because PRI has won every election. The PRD candidate said Mexico may be on the path to destabilization following the assassination of "an extraordinary man who would definitely have been an excellent president for the Mexican people." (Panama City ACAN in Spanish 1606 GMT 24 Mar 94)

More International Reaction

PA2503163894

[Editorial Report] The following is a compilation of international reaction to the 23 March assassination in Tijuana, Baja California, of Luis Donaldo Colosio Murrieta, presidential candidate for the Mexican Institutional Revolutionary Party, PRI.

Mexico City Radio ACIR Network in Spanish at 1600 GMT on 24 March broadcasted a one-minute report on a fax received from Nobel Prize winner Rigoberta Menchu expressing her consternation on and rejection of the attack on Colosio.

Mexico City Radio ACIR Network in Spanish at 1600 on 24 March also broadcasted a one-minute report on U.N. Secretary General Butrus Butrus-Ghali repudiating the attack on Colosio. Butrus-Ghali adds that he deplores any form of violence.

Panama City ACAN at 1904 GMT on 24 March carried a 150-word, Panama City-datelined report on the Christian Democratic Organization of America's, ODCA, rejecting Colosio's murder. The ODCA, which is holding a meeting in Panama, expressed in a communique their hope that "this regrettable incident will not adversely affect the electoral process and the modernization of the Mexican political system."

Managua Radio Nicaragua in Spanish at 1200 GMT on 24 March broadcasted a two-minute report on a press communique issued by Violeta Chamorro's government rejecting the "brutal" murder of Luis Donaldo Colosio. The communique goes on to rule out any violent method that brings mourning to the Mexican people and to the whole world.

Madrid EFE in Spanish at 1016 GMT on 24 March carried a 200-word, Havana-datelined item reporting Cuban President Fidel Castro's "consternation, pain, and repudiation" upon learning the death of PRI candidate Colosio. The item reports that Castro sent a message of condolence to Mexican President Carlos Salinas de Gortari.

Hamburg DPA at 2121 GMT on 24 March carried a 650-word, Buenos Aires/Mexico City-datelined roundup of unanimous regional consternation over Colosio's murder.

According the DPA roundup, Brazilian President Itamar Franco rejected the "absurd and shocking act of violence" that led to Colosio's death.

Argentine President Carlos Menem said he "was profoundly moved by the tragic death" of the PRI candidate, and he expressed hope that "acts of vandalism and terrorism will soon be overcome in our community of nations."

Venezuelan President Rafael Caldera sent a message to his Mexican counterpart expressing his "total shock" upon learning of Colosio's murder, noting that Mexico is going through "sad and difficult times."

The DPA roundup noted Chilean President Eduardo Frei's "condemnation and rejection" of the murder. Frei sent his expressions of "regret and solidarity" to his Mexican counterpart, Salinas de Gortari.

Costa Rican President Rafael Caldera's warned that this murder is an "act against democracy" in Mexico and in Latin America.

The Honduran Government issued a communique rejecting violence as a method to solving political problems.

Panamanian President Guillermo Endara was "pained" to learn of Colosio's death.

At 2155 GMT, Panama City ACAN carried a 150-word, San Jose-datelined report that Oscar Arias, Nobel Peace Prize and former Panamanian president, said today that Colosio's death "is a cause of concern for the Americas. It is important now that calm, level-headedness, and national unity prevail, that the important Mexico that we know should not throw itself into despair and disorder," Arias added.

Mexico City Radio ACIR Network in Spanish at 2135 GMT on 24 March carried a two-minute report noting that Brian Mulroney, former Canadian prime minister, labeled the incident in Baja California as "a cowardly political assassination against Mexico's democracy, perpetrated for reasons that are truly trite and irrational."

Madrid EFE in Spanish at 2124 GMT on 24 March carried a 1,200-word, Madrid-datelined roundup of reaction to PRI candidate Colosio's murder.

Guatemalan President Ramiro de Leon Carpio said that with his death, Colosio's "political message takes on a greater meaning and makes it more legitimate and pure as an example for all democratic sectors."

Dominican Republican President Joaquin Balaguer expressed in a letter to President Salinas his "solidarity and sincere expressions of regret and sorrow."

EFE notes that an Uruguay Foreign Ministry communique said Colosio's murder is "one more expression of political intolerance and barbarity that adversely affects not only the right to life but also the basic principles on which democracy supports its existence and stability."

The Bolivian president sent a message that, according to Foreign Minister Antonio Aranibar, "expresses his sorrow to the Colosio family, the Mexican Government and people."

Guatemalan national Alfredo Skinner-Klee, acting president of the Central American Parliament, said: "These acts of violence only contribute to the deterioration of the democratic process and the opening of new wounds of resentment."

Enrique Iglesias, Inter-American Development Bank president, commented that Colosio's murder "hurts the Mexican nation and the democratic consciousness of all Latin America."

Manuel Fraga, chief of the Galicia Regional Government in Spain, expressed his "profound condolence for and firm rejection" of such a "vile assassination" in a telegram to Mexican President Salinas.

Mexico City NOTIMEX in Spanish at 2153 GMT on 24 March carried a 500-word, Paris-datelined item which reports on a message sent by Philippe Seguin, acting president of the 91st Parliamentary Conference being held in Paris. Seguin said: "In my name and that of my colleagues we express our sympathy for the Mexican delegation and once again we underline our absolute rejection of electoral violence."

The NOTIMEX item also noted that in Madrid, Spanish Foreign Minister Javier Solana labeled Colosio's murder as "terrible." At a news conference, Felipe Gonzalez, president of the Spanish Government, expressed his pain for the crime and reiterated his solidarity with the Mexican Government. The ruling Spanish Labor Party, in a communique labeled Colosio's murder as "a criminal act, the sole goal of which is to absurdly hamper the Mexican electoral process."

Santa Fe de Bogota Inravision Television Cadena 1 in Spanish at 0000 GMT on 25 March carried a 1-minute report which noted that Colombian presidential candidate Ernesto Samper sent a letter to Mexican President Salinas de Gortari recalling his meeting with Colosio four months ago. The same report noted reaction by Andres Pastrana, presidential candidate for the Colombian New Democratic Force, and by presidential hopeful Miguel Maza Marquez. Maza is quoted as saying: "Yesterday it was the incident in Chiapas, now this assassination; the result of intolerance." Pastrana is quoted as saying: "It is very regrettable to see how our democracy is being murdered, that is, Latin American democracy."

Panama City Circuito RPC Television in Spanish at 2300 GMT on 24 March carried a one-minute report on Ernesto Perez Balladares, presidential candidate for the Panamanian Democratic Revolutionary Party, who told RPC that he hopes that incidents of this nature will not be repeated any other place.

The same report adds that Arturo Vallarino, president of the Panamanian Legislative Assembly, repudiated Colosio's murder noting: "A shot has been fired not only at a candidate but at democracy."

Roundup of Radio ACIR Reporting on Reaction

PA2503152594

[Editorial Report] The following is a compilation of Mexico City Radio ACIR Network in Spanish reporting on domestic and foreign reaction to the 23 March assassination in Tijuana, Baja California, of Luis Donaldo Colosio Murrieta, presidential candidate for the Mexican Institutional Revolutionary Party, PRI.

Radio ACIR at 0544 GMT on 24 March carries a two-minute report on a communique issued by the Revolutionary Workers Party, PRT, regretting the attack on Luis Donaldo Colosio Murrieta and pointing out that although "this action might open a period of grave political uncertainty, it should not be cause for a repressive atmosphere of political persecution." The PRT urges a thorough investigation of the attack, and calls on the citizens to remain calm.

At 0549 GMT on 24 March, Radio ACIR reports that Canadian Prime Minister Jean Chretien said: "In spite of the attack against Colosio, Mexico should not stop the changes and reforms it has carried out." "This is the price of democracy, the price of seeking the people and being close to the people. I cannot find words to express the shock of this terrible tragedy," Chretien concluded.

Radio ACIR carries a one-minute report at 0603 GMT on 24 March on a communique issued on 23 March by the Mexican Senate expressing condolences to the Colosio family over the "regrettable" death of Luis Donaldo Colosio. In the communique, the Senate adds that "the nation has lost a politician committed to freedom, democracy, social justice, and the sovereignty of Mexico."

At 0628 GMT on 24 March, Radio ACIR reports that the Farabundo Marti National Liberation Front from El Salvador has sent condolences, expressing "the strongest rejection of this criminal action that will not tarnish the democratic ideals of the Mexican people."

Mexico City ACIR Network in Spanish at 1457 GMT on 24 March carries a live report by Luis Carlos Santoyo from San Cristobal de las Casas, Chiapas State. Santoyo reports that the death of Luis Donaldo Colosio Murrieta has been "shocking" to the people in San Cristobal de las Casas. The report adds that peace commissioner Manuel Camacho Solis first made a statement then withdrew to the hotel where he remained throughout the night while "security measures were increased." Radio ACIR adds that Camacho Solis "looks sad and, to a certain extent, insecure. He is very worried about what is happening. He said he did not want to make any statements because these are not moments to talk about other matters. He said that he feels very sad and will go to Mexico City to express his sympathy to Colosio's family and the country's political family," the report concluded.

Radio ACIR adds at 1551 GMT on 24 March that Honduran President Carlos Roberto Reina "deplored" the murder of Colosio, and that Reina had telephoned the Mexican ambassador in Tegucigalpa to express "the solidarity of the people and government of Honduras."

OECD Extends Invitation; Further on PECE Agreement

PA2503143694 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 25 Mar 94

[Report by Jaime Guerrero from the "Early Morning" newscast]

[Text] On 24 March the 24 countries that make up the OECD unanimously agreed to invite Mexico to join the organization. The formal induction will take place on 14 April. President Carlos Salinas de Gortari said that within that organization Mexico will enhance its presence in the industrialized countries, particularly in Europe's markets. The president made these remarks at the ceremony during which the Stability, Competitiveness and Employment Pact [PECE] was signed.

This was a very timely moment for the private sector, laborers, peasants, and government to confirm their economic alliance through PECE. At Los Pinos [presidential palace], the country's productive sectors totally rejected violence and repudiated the assassination of PRI [Institutional Revolutionary Party] candidate Luis Donaldo Colosio. They totally rejected violence and President Carlos Salinas categorically stated that Mexico will not stray from its course.

[Begin Salinas recording] We unanimously reject every attempt to make us lose our course, to distract our efforts, to believe that a violent offense can discourage Mexico. [end recording]

The president called for unity, saying that the peace agreements will be fulfilled and adding that only concerted efforts and full observance of the law will ensure a better future for the Mexican people.

[Begin Salinas recording] Today we have confirmed that we will defend the efforts made and the opportunities that have been created. We will work arm in arm to defend the law; we will not allow impunity to deprive us of the serenity that will allow us to move forward. [end recording]

Participants in the meeting dismissed the possibility that the tragic event in Tijuana has destabilized the Mexican currency.

[Begin unidentified speaker recording] Yesterday's tragic event has not translated today into a crisis in the Mexican financial market. [end recording]

The labor sector proposed less tolerance of violence.

Finance Secretary on Stock Market, Treasury Aid

PA2603042994 Mexico City LA JORNADA in Spanish 25 Mar 94 p 84

[Text] Mexico has sufficient foreign exchange reserves to confront a possible turbulence in the foreign exchange market, which has been strengthened by the $6 billion of support from the U.S. Treasury through the "reciprocal support agreements" established between the two nations, Pedro Aspe Armella, finance and public credit secretary, stated yesterday.

These lines of support were increased 500 percent after President Bill Clinton issued instructions to U.S. Treasury Secretary Lloyd Bentsen to bolster President Carlos Salinas de Gortari's monetary and economic policy.

The finance secretary explained that the transactions revolving around Mexican foreign debt shares abroad experienced quite a drop when stock market operations opened in New York and London. This drop, however, was attenuated during the course of the day, in what was interpreted as a sign of confidence in the country's prompt stabilization. He said he felt conditions are right for national financial market operations to resume today after having been closed yesterday because of the decree declaring a national day of mourning. The stock market, banks, and money-exchange offices will observe regular hours today.

The Mexican official explained that the reciprocal support agreements allow for granting lines of credit up to $1 billion, but that Secretary Bentsen advised him that this had now been increased to $6 billion.

Aspe Armella noted that this aid strengthens the country's international foreign exchange reserves, which he regarded as "sufficient." He said "real stability is obtained at home" and noted that this year there will not be any fiscal deficit, according to the directives issued by President Salinas de Gortari aimed at ending his administration with an economy that is "growing, with solid reserves, order, vision, and direction."

Analysts of Salomon Brothers, one of the five most important brokerage firms of the world, anticipated that they will recommend that U.S. and Mexican investors "not overturn the Mexican market" on account of the assassination of Luis Donaldo Colosio, PRI [Institutional Revolutionary Party] presidential candidate.

They noted that in the coming days the Mexican Stock Market will experience "hectic days" with a low tendency, which will annul the progress achieved in the past two days.

The offices of Standard and Poor's and Duff and Pheps in Mexico called an urgent meeting of their analysts to study the country's current situation so they will be able to orient investors' criteria in the coming days.

Adequate Reserves To Avoid Speculation

After meeting with President Carlos Salinas de Gortari yesterday, Miguel Mancero Aguayo, the general director of the Bank of Mexico, and Roberto Hernandez, the president of the Banamex [National Bank of Mexico] Accival [not further identified] Group, said the level of foreign exchange at the Central Bank is adequate and will avoid any speculation or disproportionate increase in dollars in the country. Interviewed at the official Los Pinos residence, both officials maintained that the country has the necessary stability. This stability is supported by its foreign exchange reserves and the certainty created by the ratification of the Stability, Competitiveness and Employment Pact (PECE).

Roberto Hernandez asserted that rumors about an over demand for dollars are baseless and only seek to trigger speculation. The country's reserves are sufficiently strong to allow it to react to any factor that attempts to destabilize our economy. There are no real conditions that can weaken our currency, he said.

When he spoke, Miguel Mancera Aguayo, who will be the first governor of the Bank of Mexico as of 1 April, said they are preparing an evaluation on the country's level of reserves to guarantee greater stability. In this way, he said, if there is a disproportionate demand for dollars today, Friday, we will have the necessary support to avoid abrupt movements that could hinder the country's economic growth.

Furthermore, both officials stated that the Bill Clinton administration had begun a program yesterday to support any abrupt movement of foreign exchange in the country. Roberto Hernandez stated: "At this time, I would make a call to maintain our tranquility and objectivity with what is happening in the country. The advances and achievements are there and are supported by our economy. There is no reason to be concerned."

They noted that there is a financial backing of up to $6 billion that will allow banking operations in the entire country to be carried out regularly today. Finally, Roberto Hernandez noted that Mexico's entry into OECD is recognition of the advances made by Carlos Salinas de Gortari in the area of economic policy.

Canadian Prime Minister on Accords, Investments

PA2503211994 Mexico City EL FINANCIERO in Spanish 24 Mar 94 p 29

[Report by Jaime Hernandez]

[Text] Canadian Prime Minister Jean Chretien yesterday began an official three-day visit to Mexico to talk with President Carlos Salinas and other Mexican officials on how to stimulate bilateral trade in the framework of NAFTA.

On landing at the Mexico City International Airport, Chretien said that Mexico becomes more and more important for Canada. "It is truly a pleasure for me to

have arrived in Mexico for my first official visit, from which I expect good results for both countries," he said.

According to a Foreign Relations Secretariat report, bilateral trade between Canada and the United States amounts to $3 billion annually and will soon total $5 billion. The document says that, in the framework of NAFTA, the delegates in charge of debating antidumping and subsidies as related to the agreements between Mexico, United States, and Canada are expected to determine the corresponding codes prior to 31 December 1995.

The document adds that in the next five years the three countries will spend approximately $30 million in a three-nation program to improve the qualification of human resources in Mexico and the technical level of the country's universities and industries. "Through an enterprise council, the private initiative will participate in the creation of training standards."

In addition, Canada wishes to explore the possibility of creating a technical and scientific cooperation sub-group in the Mexico-Canada Ministerial Commission, similar to a sub-group recently established between Mexico and the United States.

The sub-group would attend to matters related to scientific exchange programs between the two countries, human resources follow-up, technology transfer, and environment protection and improvement programs. The two countries approved the creation of the subgroup, which is expected to meet at the next Ministerial Commission's session, according to the Foreign Relations Secretariat.

It has also been reported that a new proposal for a memorandum of understanding on fishing cooperation that the Canadian Ministry of Fisheries and Oceans presented to the Mexican Fisheries Secretariat is still being negotiated.

According to bilateral agreements, Mexican inspectors at Canada's request would travel to eastern Canadian provinces in the first week of April 1994 to conduct phytopathological inspections of apple orchards.

The Canadian Government's request to lift the current tariffs on wheat and barley exports to that country is also being studied. Several enterprises consider the possibility of investing in energy and mining. The enterprise Canada World Construction will spend 300 million new pesos to mine granite and limestone in Izucar de Matamoros. Campbell Resources will prospect for and mine gold.

In this first visit, the prime minister will attend the closing of the industrial and services exposition, Canada Expo-94, where more than 450 enterprises are represented and which is Canada's largest commercial venture abroad.

President Salinas reportedly had dinner with Chretien yesterday. The prime minister today is scheduled to meet with Salinas at the Los Pinos official residence. Chretien will meet with Mexican congress members and offer a reception at the Banco General de Canada. He will also meet with Mexico City Mayor Manuel Aguilera Gomez, will stand at attention at the Homeland's Altar, and hold a news conference at the Canadian Embassy.

Remarks on Elections

PA2503203494 Mexico City Radio ACIR Network in Spanish 1945 GMT 25 Mar 94

[Text] Canadian Prime Minister Jean Chretien has said the next PRI [Institutional Revolutionary Party] candidate for president will have sufficient time for his electoral campaign. He has also said he is sure the federal elections will be held as scheduled. Chretien has said the Mexican Government and people acted coolheadedly after Luis Donaldo Colosio's assassination.

[Begin Chretien recording, in English fading into Spanish translation] I do not think the crisis will last long. I am under the impression Salinas' party will appoint a candidate very soon and that the struggle will continue until August. [end recording]

In a news conference held at the Canadian Embassy, Chretien has said no final decision has been made on the presence of Canadian observers in the federal elections. The prime minister, who has already departed, has said he is not offering Mexico any special assistance for the time being, because Mexico's financial market is stable.

Views OECD Entry, NAFTA

PA2603011894 Mexico City NOTIMEX in Spanish 2220 GMT 25 Mar 94

[Text] Mexico City, 25 Mar (NOTIMEX)—Canadian Prime Minister Jean Chretien today congratulated Mexico on its entry into the Organization for Economic Cooperation and Development (OECD). He announced that he asked the business sector in his country to carry on with their investment plans for Mexico.

During a news conference at the Canadian Embassy in Mexico City at the end of his three-day visit, Chretien said: "Mexico's entry into the OECD is a sign of the country's progress, which has been recognized by the organization's member countries as well as other nations." He announced that he had called upon members of the Canadian business sector to continue with their investments in Mexico because there is economic and political stability, despite the murder of the government's presidential candidate Luis Donaldo Colosio.

Chretien indicated that he made the appeal during a meeting this morning with the Canadian Chamber of Commerce. He told the entrepreneurs to remain calm and to continue with their investment plans for Mexico "in order to contribute to the growth of the economy and democracy." He made a similar appeal to the exhibiters at Canada Expo 94, which is the largest commercial exhibition ever organized for a foreign country. There

are about 430 companies participating in the event, which opened on Monday in Mexico City. He said that Mexico is a stable country and that "what has impressed me the most is that the authorities and the people have remained calm following the tragic death of Colosio, and no violence has occurred despite the deep consternation."

He denied that his country had granted financial aid to Mexico, but stressed that he is willing to do so if Mexico requests it.

Regarding the upcoming general election in Mexico, currently set for 21 August, Chretien said that if Mexico requests observers or assistance Canada will respond.

Chretien said that his first official visit to Canada had been successful. He reported progress regarding the talks with President Carlos Salinas de Gortari to define the concepts of subsidies and dumping within the NAFTA framework. "Mexico and Canada are not strong enough to face the United States alone," he said, "therefore we need more countries to join NAFTA to balance out the situation."

He reported that he had expressed his will to President Salinas to resolve the Canadian trade balance deficit with Mexico, which is approximately $1.5 billion. He also offered to open an office for the state-owned Mexican Petroleum in Calgary, Alberta, to sell its services and technology. Chretien made other proposals, such as a firm agreement under which the Canadian Cameco Corporation would sell uranium to Mexico for its nuclear power plant in Laguna Verde, Veracruz, in addition to the fuel is now supplies.

Chretien left Mexico City just after midday to go to a Caribbean beach resort for a two-day rest with his wife.

Nonbank Banks Must Overcome Image, Funding Problems

PA2503210294 Mexico City EL FINANCIERO in Spanish 18 Mar 94 p 5

[Report by Miryam Hazan Bejar: "Nonbank Banks Face Funding Problems and Regulatory Disparities"]

[Text] As part of the process of opening up the financial sector and amidst the serious risks resulting from the regulatory disparities that are still prevalent, the nonbank banks [previous two words in English] or limited purpose financial corporations [sociedades financieras de objeto limitado—SOFOL] are beginning to operate in Mexico, but with funding problems because the commercial banks lack confidence in them and also because they lack the banks' ability to accrue funds.

Of the 13 institutions authorized by the Secretariat of Finance and Public Credit (SHCP), at present only one (Independencia) is operating, but it has encountered serious difficulties in acquiring funds because the SOFOL's are not recognized in financial legislation.

Another serious problem, which could become the source of many conflicts in the future, is that existing general regulations do not specify the SOFOL's capitalization indexes, which further increases the distrust that other lending institutions have toward them.

Furthermore, the only way to guarantee the long-term credibility of these institutions is through their operations and internal structure, because even though they are regulated by the National Banking Commission (CNB) and by the SHCP, Mexico has no insurance or legal guarantee to prevent these new organizations from perpetrating frauds, which commonly occur in the United States, where they have existed for years.

Nevertheless, although their levels of trustworthiness have not even been established, these new institutions are already encountering funding problems due to the lack of information that exists concerning them. "That is one of our biggest problems," explained Jose Luis Rion, director of Independencia and president of the Mexican Association of Limited Purpose Financial Corporations (AMSFOL), which was created on 2 March during the seminar "New Financial Institutions in Mexico," sponsored by the Training Institute.

According to Rion, the nonbank banks will have a difficult time acquiring, within the short term, options that will lead to legislation through which they can acquire funds by issuing negotiable documents or obtaining credit from other national and foreign financial institutions, and he explained that in Independencia's case "we have financed ourselves solely with our resources and we know that we are going to suffer losses during the first two years."

Despite these initial prospects, the nonbank banks promise to become highly profitable institutions in our country, which is why many investors are asking themselves: What are these new institutions really all about?

David Harris, a member of the Dechert, Price, and Rhoads law firm and an expert on the subject of nonbank banks in the United States, explained that in the strictest sense of the word a nonbank bank is a bank because it has the same powers and privileges that a bank has, with the sole exception that it limits its activities to a sector and a specific function. This explains the origins of the term nonbank bank or bank that is not a bank.

He continued: Due to the ease with which they escaped the Bank Holding Company Law of 1956, which imposed significant regulations and many prohibitions on the owners of true banks, in the early eighties, following the widespread emergence of institutions that acquired the status of nonbank banks in the United States, Congress decided in 1987 to prohibit the creation of new nonbank banks and concurrently added several new restrictions to those that already existed by reducing certain status benefits.

According to David Harris, one of the U.S. Government's greatest concerns regarding the nonbank banks is

how these institutions use credit based on the idea that the deposits they obtain must be protected. In fact, this has proven to be of much concern because in the United States these intermediary organizations have perpetrated many frauds due to the difficulties they have encountered in obtaining legislation because they are difficult to define. Nevertheless, Harris said that these organizations have become decisive factors in the competitiveness of many U.S. companies.

Harris said that Mexico is now beginning to experience what the United States has experienced for many years: the opening of its financial system to new intermediary organizations like these. Therefore, the U.S. experience in this area should be taken into consideration so that Mexico can make the best of it.

Perhaps the most important nonbank bank in the world is General Electric Capital, a branch of the General Electric (GE) company. According to James Paulsfood, who is in charge of Capital's retail businesses and credit cards in Mexico, his organization has provided considerable financial support to the SOFOL's. He says that thanks to this, Capital's active capital has increased considerably.

In view of these prospects, these new financial institutions constitute a great opportunity for Mexico to support the productivity of national companies as long as they manage to make the new financial institutions trustworthy for the public that is to use them and for the credit institutions that are to help fund them.

Costa Rica

Costa Rica Says U.S. Waging Campaign for Gaviria OAS Candidacy

PA2603135694 Mexico City NOTIMEX in Spanish 0401 GMT 26 Mar 94

[Text] San Jose, 25 Mar (NOTIMEX)—The Costa Rican Government stated today the United States "is waging an open campaign" in favor of Colombian President Cesar Gaviria's candidacy for the post of OAS secretary general.

The Costa Rican Foreign Ministry's press office stated U.S. Secretary of State Warren Christopher will host a lunch on 26 March for all mission chiefs in Washington in order "to press for a vote favorable to Colombia."

OAS member countries will elect on 27 March in Washington a successor for the current secretary general, Brazilian Joao Baena Soares. They will chose between Costa Rican Foreign Minister Bernd Niehaus and Colombian President Cesar Gaviria.

The Costa Rican Foreign Ministry asserts "there are reports within the OAS that prior to the luncheon Christopher will meet privately with several Central American foreign ministers who plan to vote for Costa Rica, asking them to shift their support or abstain from voting."

According to Costa Rican Government sources, the top U.S. diplomat will argue on Saturday that "a vote in Niehaus' favor would lead to the deterioration of bilateral relations with the United States."

The Foreign Ministry press office added the U.S. official will also inform the mission chiefs if Gaviria loses, Washington would be forced to "call for a revision of OAS quotas."

The press office said upon announcing the withdrawal of his OAS candidacy, Venezuelan Foreign Minister Miguel Angel Burelli said he was doing so in view of "a lack of objective conditions" and denounced the "unusual and unorthodox methods" used by Gaviria's supporters.

According to our source, the "methods" to which the Veneuelan foreign minister referred are being intensified "to bend the wills of the small nations, which will obviously lead to the deterioration of the inter-American organization."

The United States is implementing "scandalous pressures" because Gaviria's candidacy is supported by only 12 or 13 countries, and it is also ensuring blank votes to force a second round, said the Costa Rican foreign minister.

Before traveling to Washington, Niehaus claimed to have 22 votes: six in Central America, 13 in the English-speaking Caribbean, as well as the votes of Chile, Ecuador, and the Dominican Republic.

Ecuador, nevertheless, shifted its support on Friday in Washington, openly supporting the Colombian president's candidacy and thus joining Antigua and Barbuda, the Caribbean country that the day before shifted its support to Gaviria.

To be elected OAS secretary general a candidate must have the votes of at least 18 of the 34 member countries. The OAS is formed by 35 countries, but Cuba was suspended during the 1960's.

Gaviria has the support of the United States, Canada, Mexico, Brazil, Peru, Argentina, Uruguay, and Bolivia (which withdrew the candidacy of Carlos Iturralde several months ago), which have been joined by Ecuador and Antigua and Barbuda.

Calderon Notes 'Great Pressure'

PA2503184894 Panama City ACAN in Spanish 1629 GMT 25 Mar 94

[Text] San Jose, 25 Mar (ACAN-EFE)—Costa Rican President Rafael Calderon has stressed that the United States has exercised "great pressure" to prevent Foreign Minister Bernd Niehaus from becoming the new OAS secretary general.

In remarks to the newspaper LA NACION, Calderon today emphasized that "there has been more pressure on Costa Rica from the United States than from Colombia itself" whose president, Cesar Gaviria, is also a candidate for the same post. Calderon noted that the U.S. Government "is asking states that already gave their support to Costa Rica to withdraw it and give it to Gaviria."

The new OAS secretary general will be chosen in Washington on Sunday to replace Brazilian Baena Soares, who held that post for the past decade.

The Costa Rican foreign minister has the support of 22 nations, although in recent days, it was reported that small Caribbean states have switched their support to Gaviria.

On previous occasions, the Costa Rican president, who will leave his post on 8 May, has said that "it would be deplorable" for the United States "to twist the arm" of small countries because it would be a violation of the principle of the states' juridical equality.

Niehaus Candidacy Blocked

PA2503231894 Panama City ACAN in Spanish 2202 GMT 25 Mar 94

[Text] San Jose, 25 Mar (ACAN-EFE)—Costa Rican Foreign Minister Bernd Niehaus said today that the pressures blocking his aspirations to be elected OAS

secretary general next Sunday "are enormous" in view of the nomination of Colombian President Cesar Gaviria.

Niehaus, who did not mention the United States, which supports Gaviria, said: "We knew these pressures would emerge." He reiterated his hopes of winning despite the fact that Ecuador and some Caribbean countries have withdrawn their support. "It is a struggle between a group of small countries and a group of big and strong countries. In view of this situation certain forces of the continent have united as never before in the history of the OAS," the foreign minister told Costa Rican "Channel 7" television station via telephone.

According to Niehaus, his candidacy has a "special strength," which is justice and defense of the principle of legal equality among the states. "If we say that the OAS has the duty of defending democracy, how is it possible for the election for secretary general to be conducted in an antidemocratic manner, disregarding the free will of the majority by means of pressure mechanisms," he added.

The Costa Rican foreign minister said "the ideal" thing would be to win in the first round next Sunday, but he admitted that the possibility of winning in the second round is more likely because some countries have pledged their vote to Gaviria for only the first round.

President Laments U.S. Pressure

PA2703212794 Panama City ACAN in Spanish 1940 GMT 27 Mar 94

[Text] San Jose, 27 Mar (ACAN-EFE)—Costa Rican President Rafael Angel Calderon today lamented that the United States "forced a large number of countries" to withdraw their support for Foreign Minister Bernd Niehaus, who had sought to win the post of OAS secretary general.

Calderon said: "This is a sensitive issue, because the OAS is far from being a forum in which we can address our North-South problems, in which there is legitimate equality among member-states, and in which small countries like ours are afforded the chance to discuss our entry into the markets of the developed world."

Nevertheless, Calderon congratulated Colombian President Cesar Gaviria who, starting in August, will begin a five-year term as OAS secretary general. Calderon told journalists: "He is a man of great ability. We respect him, and we express our congratulations to him. We wish him the best." Meanwhile, Calderon added that he remained "proud" of "having struggled for our ideals."

Calderon said that from now on, the OAS will be limited, because it will not be a forum in which small countries "will be afforded the opportunity to aspire to greatly improved, equitable economic relations with the No. 1 power in the world."

He added, "I think this is also a blow to the Caribbean nations, because from now on they will lose strength because other countries will prefer to negotiate with the United States."

Calderon said he had already spoken with Niehaus to congratulate him on his struggle.

El Salvador

Usulutan Departmental Electoral Board Recovers Ballot Boxes

PA2603141494 San Salvador EL DIARIO DE HOY in Spanish 23 Mar 94 p 3

[Text] Supreme Electoral Tribunal [TSE] sources have revealed with the assistance of the National Civilian Police [PNC], the Usulutan Departmental Electoral Board was able to recover the Jucuapa ballot boxes which party poll representatives were retaining.

Riot agents entered the "Saul Flores" Coed Urban School where members of the municipal electoral board were holding the boxes.

Reports have indicated militants of the Farabundo Marti National Liberation Front, Unity Movement, and Democratic Convergence have tried to keep the boxes from the PNC members, who succeeded in their objective without any major incidents.

Representatives of the above parties did not allow TSE delegates to remove the ballot boxes on 20 March, claiming "fraud" was committed in the elections and that they should have been held in Jucuapa.

The disgruntled party representatives warned if the TSE does not cancel the Jucuapa elections, the political parties that participated in the elections in that region "will adopt a municipal government elected by consensus."

TSE Magistrate Dr. Jaime Romero Ventura has told EL DIARIO DE HOY "today (yesterday) at 0800 in the morning, all the voting material from Jucuapa reached the TSE."

Romero added "because the vote counting could not take place in Jucuapa, they are doing it here in the hotel (Presidente)... but all (the information from) from Usulutan Department is indeed at TSE installations."

Candidates React to Congressmen's Aid Retention Suggestion

PA2503215994 San Salvador Canal Doce Television in Spanish 0300 GMT 24 Mar 94

[From the "Up-to-Date Newscast"]

[Text] A group of Democrats in the U.S. House of Representatives who observed the elections in El Salvador today called for the retention of U.S. economic aid until anomalies in the voters' registration lists are overcome.

Representatives from New York, Illinois, and California reported in the United States that they witnessed the courage and perseverance of Salvadorans, as well as widespread confusion and irregularities in the elections. The observers' spokesman said that the problems in electoral registries must be corrected by the Supreme Electoral Tribunal [TSE] so that the run-off election, scheduled for 24 April, can be clean and credible. In addition, the group asked that the United States link the delivery of $55 million in economic aid to the correction of errors detected in the electoral registries.

Such a request prompted diverse reactions among the presidential candidates who headed Sunday's election results: Armando Calderon Sol noted that the request lacks any basis. Meanwhile, Ruben Zamora said that it was a normal reaction in view of the expectations placed on the electoral process.

The discontent of certain U.S. legislators, who observed the number of errors that marred Sunday's elections, became evident today, when they asked that the economic aid to El Salvador be retained until the anomalies in the electoral registry are corrected.

The presidential candidates interpreted this petition differently:

[Begin recording] [Zamora] Everyone was told that this was the election of the century, and yet, 47 percent of the people could not vote. Locally, this was frustrating to many people. But, internationally, it was also disappointing for many people and thus, they are reacting.

[Calderon Sol] I think that this lacks any basis. I do not know the gentlemen who made this request, but when they hear what the United Nations and the international community said, I think they will change their minds completely. [end recording]

The two candidates met with TSE magistrates on Wednesday. At the meeting they explained their points of view with regard to Sunday's elections and their proposals for the correction of irregularities to speed up the final count.

[Begin recording] [Zamora] There are problems that, obviously, cannot be solved in one month, such as the approximately 300,000 people without voter registration cards. However, we can again begin a period to issue cards. But there is also the problem of what to do so people can find their names on the lists. [end recording]

[Calderon Sol] I think that we should be pleased that the TSE has taken the attitude of welcoming our help and to show a will to overcome the problems. [end recording]

The candidates trust that the TSE will correct the mistakes made on Sunday so that the run-off election can be carried out normally. They also suggested that a new period to obtain voters' registration cards be established.

Honduras

President Orders Military To Assist in Restoring Public Order

PA2503214694 Hamburg DPA in Spanish 1917 GMT 25 Mar 94

[Text] Tegucigalpa, 25 Mar (DPA)—Honduran President Carlos Roberto Reina ordered the Armed Forces High Command to contribute to the restoration of public order, which has been altered by different actions in the last few days. Honduras has been adversely affected by a series of incidents aimed at pressuring the government and which concern the population in general.

The actions that have been carried out range from strikes in the processing industry areas (assembly plants), cement industries, high schools, and freight transportation to multiple cases of trespassing, especially in the capital of the Republic. As for the labor strikes, especially those in the two cement plants operating in the country, the situation is creating a crisis in the construction industry and immediately generating unemployment for more than 100,000 workers.

The trespassing into the city's communal and private lands obstructs its orderly growth and creates difficulties for local authorities, who are in charge of urban development policies and who face the problem of being unable to evict the invaders because they do not have a police force.

The strikes at the high schools are due to the student's rejection of compulsory military service just as the Armed Forces would like to maintain it.

Likewise, the constant increase in family basket prices is the focal point of constant demonstrations by the various mass organizations, who conduct protest marches in front of the Economy Ministry and the downtown streets of Tegucigalpa. The military, however, views these events with indifference and even though several of these events have led to violence, the public security forces have not taken any action.

The attitude of the Honduran Army is considered by the different sectors of society to be a pressure mechanism to avoid the reforms announced by President Carlos Roberto Reina aimed at turning compulsory military service into voluntary service. Likewise, the military officers' budget has been adversely affected because it will be reduced by 10 percent this year.

In view of all these incidents which could create situations of anarchy in Honduran society, President Carlos Roberto Reina ordered the Armed Forces today to cooperate in maintaining public order. Adolfo Facusse,

the top Honduran business leader, and Tegucigalpa Mayor Roberto Acosta said that if the Armed Forces do not want to take any action in view of the situation experienced in the country, the existence of certain posts makes no sense "and are good for nothing," according to Mayor Acosta.

The top military hierarchy said their reason for not interfering in the different actions being carried out in the country is they do not want to show a lack of respect for the human rights policy, which is a priority for the current Honduran Government.

Police Chief Colonel Mario Hung Pacheco said the military officers are learning to coexist with "the new policy of respect for human rights" and that is why they have to be very careful in their actions. He pointed out that they will only intervene in those actions where their presence is requested through a judicial order or at the explicit request of the president of the Republic.

Armed Groups Operate on Nicaraguan Border

PA2603005794 Tegucigalpa LA TRIBUNA in Spanish 25 Mar 94 p 13

[Text] Danli—Following the meeting held yesterday at the 110th Military Brigade, Honduran and Nicaraguan Army chiefs from the area concluded that it is necessary to join forces to control the armed groups that operate in the border area.

According to a military source, from October to March the following incidents were registered:

On 20 October—according to information received from Nicaragua—"El Chacal" [Jose Angel Talavera] entered Honduran territory through the Arenales sector with 20 armed men. At the same time, 59 adults and 77 minors entered the country as refugees.

On 24 January four armed men dressed in military uniforms entered Honduran territory. They belonged to the demobilized contra groups under the command of "Comandante Gringo" [not further identified] and carried AK-47, M-16, and FALK rifles. They were on their way from Wambalato to Banco Grande. They disembarked from four boats at Boca de Yamales.

On 10 January 10 individuals, some in civilian dress and some in military uniforms, were located in La Laguna sector. On that same day at El Tablazo a group of eight recontras were discovered.

On 29 January in La Joya sector three criminals armed with AK-47's fired at Gerardo Oliva. On that same day Ignacio Rodriguez' farm was assaulted in the PLIZ [not further identified] sector by six contras. These individuals stole a marine motor valued at 22,000 lempiras, a 3.57 caliber gun, and cash. In addition, Rodriguez received threats saying he would be killed if he went to the authorities.

On 3 March a merchandise distributing truck was assaulted and the occupants were robbed of 60,000 lempiras. It was learned that the assailants were Nicaraguans Dennis Calix, David Padilla, Santiago Diaz, and Arsenio Moreno and Honduran Nelson Quinonez.

Among the list of those victimized are Natividad Eduardo Durate and Rigoberto Lagos. Lagos was kidnapped; he paid a 70,000-lempira ranson. Meanwhile, Pedro Herrera was murdered in Guanito community by two individuals wearing military uniforms.

Nicaragua

Proposal Issued for FSLN Statutes, Program

94CA0082C Managua BARRICADA in Spanish 15 Feb 94 p 5

[Proposal issued by the Sandinist National Liberation Front, FSLN, in commemoration of the 60th anniversary of the assassination of General Augusto C. Sandino, in Managua, in February 1994—first paragraph is introduction]

[Text] To all Sandinists, to all Nicaraguans: Never before has Nicaragua experienced such a tragic situation of poverty, social exclusion, unemployment, lack of opportunity, the plundering of our natural resources, a crisis in moral values, corruption, abuse, hopelessness, and lack of a future for young people. This crisis, which affects all of society, has created a feeling of distrust of the government, public institutions, the political parties, and many of their leaders. The Sandinist National Liberation Front [FSLN] is by no means exempt from this crisis, and we need to recognize this problem if we want to be part of its solution.

I. The FSLN, as a matter of historic necessity, was born as an armed organization to overthrow the Somozist dictatorship. After lengthy years of heroic action, dedication, and deprivation, it managed to unleash a triumphant insurrectional movement that won the support and sympathy of the immense majority of the population. Through that heroism, the consensus of the majority of the people, the justice of their demands, and a broad policy of alliances, we came into power in 1979.

II. Since its origin, Sandinism's *raison d'etre* has been the creation of a new society formed of new men and women, with new ideals and values, capable of forging, with everyone working together, a nation of solidarity, a nation without oppression, without egotism, without discrimination or exclusionary policies, and in control of its own independence and sovereignty. Thousands of Nicaragua's best sons and daughters gave their lives for those ideals and values of Sandino and Fonseca.

III. To carry out its program of deep social transformations, and given the historic need to promote for the first time the interests of the dispossessed masses of the people—the party, the state, mass organizations, the

armed forces, and the security forces were integrated into a single organization of power. This system of power also has its ideological foundation based on concepts that were new at that time; the FSLN believed in its historic destiny as a single vanguard party.

IV. Guided by that concept, and in circumstances shaped by the war, a style of vertical behavior was created in the party, and in the party's behavior in relation to society. That is how we acquired the style of an exclusive political group with closed membership ranks.

V. The sense of social solidarity, of popular mobilizations for just causes, the defense of our sovereignty, are values that Sandinism nurtured in society. In this way, we brought about transformations in Nicaragua's social and economic structures despite the aggression sponsored by the Reagan administration, which left our economy in ruins.

But we also made some grave mistakes in political concepts and action that we did not recognize in time. These errors reduced the people's support and approval, divided society, led to armed clashes, and finally caused us to lose power.

VI. The 1990's election defeat left Sandinism without any defined sense of direction because its transforming program, based upon total power, was no longer possible. Today we are still faced with an identity crisis and the lack of a persuasive political program with coherent leadership.

VII. We should take pride in the fact that our most important historic legacy is economic and social democracy, whose foundation is the transformation of agrarian land ownership, and at the same time, representative and participatory democracy. We were able to fully and convincingly demonstrate our respect for the popular vote when we turned over the government after free and honest elections were held. Denying that heritage would mean denying our very selves.

Based upon the foregoing considerations, it is now becoming necessary for the FSLN to accept a new vision of the history of Nicaragua and of the contemporary world, so that it will be capable of facing the nation's grave social and economic problems with lucidity and of taking effective action to defend the interests of the vast majority of the people.

We Sandinists must dismiss from our minds and hearts all those forms of erroneous behavior in which we engaged while we held power, and which the people rejected, so that we will not repeat them. And we must propose to our party and to society a new program, with new options, new democratic forms of organization and new forms of popular civic struggle, without fear of changes, transformations, and renewal.

Therefore, while looking ahead to the FSLN Extraordinary Congress, we now offer to the Sandinists and to the people of Nicaragua the following proposals for the new Statutes and Program:

1. Our party must be open, participatory, and creative, with flexible structures capable of bringing people together and uniting them, and not excluding or dividing. We need to return once more to being the party through which the majority of the Nicaraguan people, no matter what their economic and social status, will feel that they are represented. All closed, sectarian, exclusive, and discriminatory attitudes need to be rooted out forever from Sandinism, for such attitudes separate us from the masses of the people.

The requirements for party membership must not be used to close doors, but rather to open them, and there must be a single class of membership in the FSLN.

2. Many Sandinists and sympathizers with Sandinism have moved away from the party. If we want to win the masses back to us once again, we must first learn to motivate all Sandinists so they will come back to our ranks. This includes the unemployed, who are the most numerous group, and all the others who in rural areas and in cities are creating their own way of living both through their own initiative and hard work, no matter what their occupation, area of interest, profession, or economic and social status.

3. We must have a party that is truly democratic at all levels, with broad areas available for participation, debate, and discussion. A party in which elected leaders answer for their actions to the people who elected them; a party with a new leadership capable of handling the challenges of transformation that Sandinism wants. A leadership with new styles, without one-man rule systems of any type, that respects the decisions made in local organs, and is constantly in touch with the grass roots.

4. No one wants another war in our country, nor do they want violence. Today we Sandinists cannot promote, tolerate, justify, or excuse any sort of methods of armed or violent struggle in Nicaragua, nor can we be lukewarm in condemning those methods. There are many forms of civic struggle and popular mobilization that can be used to defend the interests of the majority of the people within the framework of our political Constitution and of the laws.

5. Our political behavior must be based on strict consistency between what we say and what we do. We cannot go around saying one thing and then, behind the scenes, doing something else. Nor can we hope to win back the trust of the masses by simply changing what we say. Our political speech must always be accompanied by consistent political behavior.

6. We cannot put off working to find national solutions that will lay the groundwork for finding a way to overcome the economic and social crisis, which is the

common aspiration shared by all the Nicaraguan people. In dealing with the economic crisis, our critical positions and our alternative proposals must be serious, well articulated, and viable.

7. The FSLN has legitimate spheres of influence which it must learn to use to defend the interests of the majority of the people: the media, parliament, public opinion forums, municipal and regional governments, business associations, unions, producers' organizations, and community and social groups.

Sandinism must be prepared to work with everybody in the fields, in communities, in neighborhoods, in the regions, and in cities, in promoting and defending our mutual interests, even with those whom in the past we fought during the war.

8. A political party's legitimate and necessary aspiration is to obtain power, and our most important task is to expand and recover the consensus of the majority of the people so that we can be elected to office. We must remember clearly that we can only carry out our political, economic, and social program from inside the government.

It would be absurd to condemn ourselves to the role of a party destined to fight eternally to change things while remaining outside in the opposition. In that way a party remains locked in frustration and demagoguery.

9. The only Sandinism possible is democratic Sandinism. We cannot be true to our ideals of economic transformation and profound social change without a deep and irreversible commitment to democracy.

10. Sandinism should carry with pride the banner of honesty demonstrated during our exercise of government, honesty which promotes nothing but the consequence of the ethical concepts we have always championed and defended. We need to reject as immoral and contrary to our principles any form of illicit enrichment, or any shady deals and acts of corruption, both inside and outside our ranks.

11. We Sandinists need to keep alive our revolutionary ideal of a just and democratic society, a society of solidarity, in which no one is humiliated or discriminated against. We need to stand firm against all forms of economic and social oppression. We need to keep ourselves on the side of a participatory and open economic system, in which the poorest and most dispossessed are given extra help, and the campesinos are given legal and economic guarantees ensuring their rights to land. There will never be a Sandinism that defends monopolies, oligarchies (old or new), powerful economic groups, whether the old ones or new improvised versions, or any form of return to the past of economic oppression, no matter who its proponents may be.

12. We should proclaim single-mindedly our respect for private property and all other legitimate forms of property: communal, associative, and cooperative. And we need to state clearly our rejection, both now and in the future, of any form of confiscation. Economic initiative, whether individual or collective, is vital for our national development.

13. Neoliberalism is contrary to the social rights and interests of the vast majority of the people, who are asked by neoliberalism to sacrifice for the benefit of a few of the more privileged. We must be forthright in rejecting the dogma of neoliberalism, which people have been trying to impose on us from outside. The present government has been unable to defend Nicaragua's interests from these external impositions by international financial organizations.

Financial and economic adjustments must fit our real situation and should promote production and jobs instead of causing stagnation. And just as the dogma that everything should be in the hands of the state did not work, a dogma which says that everything should be privatized, including public services, cannot work.

14. We Sandinists should foster the ability of every social group, every business association, every union, every community organization, every youth and women's group to encourage and defend their own common interests, with full independence and freedom. This is what participatory democracy means. Democracy can only be truly effective when it expands the arenas available for popular participation. It is Sandinism's duty to promote the role and participation of women in transforming society, while respecting the ideas and autonomy of their organizations.

15. We need to continue to extend the Atlantic Coast Autonomy process within the spirit of national unity, and to seek the immediate implementation of the autonomy law and the inclusion of the functions of autonomous governments as an integral part of the constitutional reforms that will have to be debated and passed in the National Assembly.

16. Today, there is a world of new international relations after the end of the Cold War, a world marked by great abysses between rich and poor countries, with Nicaragua being one of the poor nations. It is our place to work to achieve a just international economic order.

17. Sandinism, whether in the opposition or in the government, cannot harbor undying hostility toward any country. Our relations with the United States must be relations of mutual respect, but without ever forgetting our tradition as a nation that has placed its dignity and sovereignty above all else.

This is our message of hope and life. We want to share with everyone our aspiration for a prosperous and just Nicaragua, without more wars, without poverty, without exclusion, in which all Nicaraguans, on a footing of equality no matter what their political or religious beliefs or their economic and social status, will have the right to live free from fear and to work in peace, sure of their lives, of the lives of their families, and of their property.

We Sandinists, without excluding anyone, must help to create an awareness of the future, in a country that really does have a future. Our spiritual and material potential, now and in the future, is immense. We must turn to the task of helping millions of Nicaraguans, especially young people, to recover faith and hope in the future.

To achieve these desires, which are just and necessary, and to take on the challenge of winning the 1996 elections, we must at all cost preserve the unity of Sandinism, which is our most valued treasure.

Managua, Nicaragua, in the month of February 1994, in commemoration of the 60th Anniversary of the Assassination of General Augusto C. Sandino.

For the Sandinism of the Majorities.

[signed by the following]

Sergio Ramirez Mercado, Luis Carrion Cruz, Ernesto Cardenal, Dora Maria Tellez, Daniel Nunez, Benigna Mendiola, William Ramirez, Ray Hooker Taylor, Enrique Picado, Carlos F. Chamorro, Danilo Aguirre Solis, Carlos Mejia Godoy, Mima Cunningham, Mario Flores Ortiz, Roberto Arguello H., Rodrigo Reyes.

Esperanza de Cabrera, Ernesto Castillo, Luis Felipe Perez Caldera, Octavio Martinez Ordonez, Jose Coronel Urtecho, Edgard Herrera, Johnny Hodgson, Luis Enrique Mejia Godoy, Emilio Baltodano C., Joaquin Solis Piura, Lila Aguilar, Clorinda Zelaya, Ernesto Ortega, Alba Luz Ramos, Benjamin Cortez, Edgard Tijerino.

Danilo Abud Vivas, Luis Caldera, Bosco Centeno, Sandra Abud Vivas, Orlando Pineda, Olga Moraga, Herty Lewites, Guillermo Ramirez C., Claudio Chamorro Barrios, Ada Luz Monterrey, Salvador Perez Aleman, Emilio Montes, William Olivares, Armando Villacorta, Max Rafael Roman, Arnulfo Silva.

Irving Matus, Manuel Tellez, Gladys Bolt, Ligia Barillas, Javier Chamorro Cardenal, Gerardo Sanchez, Ronald Paredes, Evelio Obando Garcia, Giovani Delgado, Ana Lorena Rondon, Fernando Saravia, Norma Elena Gadea, Santiago Fajardo, Maxima Bermudez, Marcos Robleto Sanchez, Antonio Beteta.

Ricardo Melendez, Oscar Melendez R., Roberto Lacayo G., Veronica Rojas, David Blanco, Leonidas Duarte, Silvia Villagra, Luis Matus P., Jose Omar Moncada, Ernesto Zelaya Ortega, Silvio Ponce, Luis Palacios, Silvio Cortes, Francisco Javier Saenz, Albert Sinclair, Francisco Palacios.

Javier Tellez Robles, Cristobal Conrado, Daysi Bravo Salazar, Luis Lacayo Debayle, Virginia Cordero, Maria Ramirez Guerrero, Reynaldo Antonio Tefel, Miguel Gomez, Gioconda Belli, Byron Corrales, Julio Marenco, Daysi Zamora, Mauricio Valenzuela, Sinforiano Caceres, Domingo Sanchez S., Humberto Lopez R.

Alvaro Ferrey P., Onofre Guevara, Sofia Montenegro, Jose Dolores Gomez, Erick Blandon, Arnoldo Guillen, Ariel Bucardo, Maria Teresa Delgado, Blas Espinoza, Carlos Zamora, Carlos Manuel Morales, Orlando Benavides.

More signatures follow, which will be published in tomorrow's edition.

Bank Loan Practices Hamper Production

94CA0082A Managua LA PRENSA in Spanish 15 Feb 94 p 10

[Commentary by Francisco J. Gurdian M.]

[Text] With great concern we have seen in the agricultural loan tables published by the BND [National Development Bank] that the projected disbursements for the 1994-95 season are insufficient.

I say with great concern, for the amounts listed for each item really lack any logic and agricultural meaning. Let us take a closer look at this.

For sesame, for example, the amount to be financed will be 477 cordobas per manzana (according to the table published). Based on my personal evaluation, the actual production cost will be no less than 1,200 cordobas per manzana (I am, of course, speaking merely of operating costs).

This leaves a balance of 723 cordobas per manzana which the grower will have to make up; I do not know where the grower will get that money from. The bank, in this case, will only be providing 39 percent of the costs that will have to be financed.

Then, of course, only 39 percent of the seed's potential is going to be produced. That is, if all goes well. It is much more likely that production will be less than that percentage. This is especially disturbing as those amounts are less than last year's, despite the 20 percent devaluation and the constant slippages we are experiencing at the present time.

The same thing is happening with coffee, sorghum, rice, corn, etc.

This will inevitably mean that the grower will not be able to pay off his debts to the financial system. Naturally the producer, because of all the above, will not be able to repay his past unpaid loans that have been restructured or deferred.

And, what amounts to the same thing, the high interest rates, the dollarized credits, and the inadequate amount of these loans, will all combine to generate a major liquidity crisis that will cause great distress to Nicaragua's heavily indebted producers.

I have the impression that attempts are being made to finance more areas while reducing the total amounts to be financed for all crops. This is truly cause for much concern.

That is why things are going badly in Nicaragua, very badly. We have declines in productivity and increases in production costs, due primarily to insufficient credit.

I will venture to say that the agricultural technology tables that the bank uses to calculate its financing are far removed from reality, and from what is actually needed to produce a good crop.

And there is something even more serious: the limited funds they have planned to disburse will be subject to availability. This means that they will approve loans whose actual disbursement is not guaranteed. The available bank funds will be subject to the funds it has recovered, realizing in advance that those recoveries are going to be low, precisely because past credit was insufficient to reach points of equilibrium in production.

In other words, when the producer comes in to apply for a loan disbursement to meet some urgent and essential need, it is possible that payment will not be made because at that moment the bank does not have funds available, thus causing irreparable damage to the harvest.

Recently in ADAL [Association of Leon Cotton Growers] and ANPROSOR [National Association of Sorghum Producers] we conducted agricultural experiments designed, among other things, to measure the relation between input and productivity. It is quite interesting that we found that the best harvests, and consequently, the best earnings, were produced by applying agricultural technology tables that are different from the ones used by the bank. In these experiments, the correct amounts were applied in order to produce good crops.

It was possible to determine that with adequate fertilization levels, greater than those estimated, with that alone, sorghum production could be increased by 20 quintals per manzana. Obviously, the production cost of each quintal of sorghum then becomes cheaper. It was proved that the marginal cost of using more fertilizer was a very worthwhile investment: it gives us the opportunity to sell at low local prices or to export, generating sufficient earnings for us to pay off our bank loans and be left with a profit.

After those experiments, which were repeated many times over on farms in different areas, using appropriate statistical analyses and good experimental designs, we were able to conclude that the best deal the bank can make is to finance production costs correctly and in sufficient amounts.

And by a better deal for the bank, I mean that its portfolio of loan payments in arrears, of refinancing, deferred payments, or loan restructurings will be reduced to tolerable levels, like those in a country with a normal economy.

It seems reasonable, then, that if we want to create a real economic renewal and to improve our people's standard of living, we should use the valid scientific results that are being generated in Nicaragua in order to adjust the necessary financing correctly. Let us not deceive ourselves. At the present time, the agricultural credit system is making mistakes that bring about unpredictable consequences in political, social, and economic matters.

Panama

Endara Welcomes Gaviria as OAS Secretary General

PA2703224994 Mexico City NOTIMEX in Spanish 2108 GMT 27 Mar 94

[By Luis Enrique Vasquez]

[Excerpts] Panama City, 27 Mar (NOTIMEX)—Panamanian President Guillermo Endara said here today that, with his Colombian colleague Cesar Gaviria in the post of OAS secretary general, the organization will wake up and become more dynamic for the benefit of all people on the continent.

"Under the leadership of President Gaviria, we will have a new OAS—one as dynamic as its new secretary general," Endara told NOTIMEX in an interview. Endara added that the people of the continent will have "a great servant" in Gaviria, who is known for his great abilities and charm.

Endara said: "The days of the OAS being a somewhat sleepy organization have ended. We will truly see a new OAS. I congratulate President Gaviria and offer him Panama's full support during his tenure."

In the past, Panamanian politicians and journalists have criticized the American organization for having maintained "an extremely submissive" position toward the regime of General Manuel Antonio Noriega. In 1989, the Civic Democratic Opposition Alliance (ADOC) asked the OAS to issue a resolution condemning the Noriega regime and recognizing Endara's triumph in the May general elections; this, however, never occurred. [passage omitted on Gaviria's biographical data, background material on the OAS election]

Although Panama's vote was committed to Niehaus last year, Endara said Gavira was a "great candidate" to occupy the post. "President Gaviria is very suitable for this post," the Panamanian president told NOTIMEX over the telephone from his presidential residence, where he is resting today.

Endara said he urged Niehaus to not feel discouraged by his failure to win the post of OAS secretary general, and he also urged him to offer his support to Gaviria.

"I hope this defeat will not discourage him from continuing his great efforts for the sake of the entire continent," Endara added.

Further Comments From Endara

PA2803000094 Panama City Circuito RPC Radio in Spanish 2250 GMT 27 Mar 94

[Report by Maria Elena Barrios on an interview with Panamanian President Guillermo Endara by an unidentified reporter on the 27 March OAS secretary general elections; in Panama City on 27 March; from the "RPC News" newscast]

[Text] With 20 votes in his favor, Colombian President Cesar Gaviria today was elected to replace Brazilian Joao Clemente Baena Soares as OAS secretary general. Despite diplomatic efforts by Costa Rican Foreign Minister Bernd Niehaus to secure the post for Central America, Niehaus obtained only 14 votes, including one from Panama. For our country, however, this was a very difficult decision, because both candidates hailed from neighboring countries with which we maintain good relations—Colombia and Costa Rica.

In statements to RPC Radio, Panamanian President Guillermo Endara voiced his belief that Gaviria will do a good job and that the OAS will assume a new role under his leadership.

[Begin recording] [Endara] Although we were committed to Costa Rica, I am certain President Gaviria will prove to be a historic OAS secretary general. I think the time during which the OAS was a dormant, inactive organization has ended. We will now see a new OAS with Gaviria as secretary general. We will see a dynamic OAS—an OAS that will promote democracy in the hemisphere, one that will promote liberty.

[Reporter] Mr. President, as for Panama, what expectations does the Panamanian Government have in the wake of the Colombian President's election?

[Endara] President Gaviria reiterated to me—in fact, he has told me repeatedly since he began his bid for the post of secretary general—that regardless of how Panama voted, he wanted to have Panama's support, much like Panama would want to have his support. I told him that if he was indeed elected, Panama would support him not only during my presidency, but that I am certain any and all of the seven presidential candidates will also support him. I told him I could guarantee this support, because we will have a four-month transition period during which I hope to maintain good relations with the winner of the Panamanian elections. I also told him I am sure we will agree that the new president should support Gaviria at the OAS.

[Reporter] Mr. President, do you think the support the United States gave the Colombian president's candidacy was the decisive factor in today's vote?

[Endara] No, no, no. I honestly do not think so. Our vote is an example. Although the United States lobbied strongly through diplomatic channels, I think President Gaviria has merits of his own and qualities that make him an excellent candidate. Gaviria, in my opinion, would have won even without U.S. backing. [end recording]

Colombian President Cesar Gaviria, 47, will probably assume the post of OAS secretary general in August.

Colombian Guerrillas Threaten SAN Aircraft

PA2703193894 Panama City MAGAZINE DOMINICAL EL SIGLO in Spanish 27 Mar 94 p6

[Report by Jose Gonzalez Batista]

[Text] Alleged Colombian guerrillas who are guarding poppy and coca plantations in the jungle areas along the border between Panama and Colombia have threatened the members of the National Air Service (SAN) with future attacks on their aircraft, according to reports issued yesterday.

A police source who declined to be identified has revealed that the alleged guerrillas informed SAN personnel "if they continue to overfly those areas where they had their narcotics plantations, they would execute artillery attacks against their aircraft."

The insurgents threatened to down every helicopter that overflew the region and gave a 48-hour deadline to cease those incursions. "The Colombian Army in the area where crops are located is warned, and so their lives would be endangered."

During recent weeks, several SAN airplanes carrying video equipment and Panamanian police have overflown the inhospitable jungle of Darien Province, where they have detected coca and poppy plantations covering an immense number of hectares.

Once the report about the alleged guerrillas was confirmed, Panamanian police made a new incursion with the aid of the U.S. Army, the result of which is unknown.

It seems in the next few hours the air operations will be intensified in those regions to reach the sites where the rebel groups and drug traffickers are guarding the plantations.

Until now and unofficially speaking, it is believed the guerrillas belong to the Revolutionary Armed Forces of Colombia (FARC), which protects the drug traffickers' million-dollar plantations for hefty sums of money.

A report indicated that after announcing their intentions the FARC rebels may stage an attack against Panamanian aircraft, because the report stated the rebels are protected with sophisticated weapons of war.

In February 1993 a contingent of Panamanian police, with the backing of the U.S. Army and DEA officials,

destroyed coca and marijuana plantations on 90 hectares located in the remote Darien Jungle on the border with Colombia.

The operation, called "Frontera Libre," was conducted to rescue three U.S. "New Tribe" missionaries whom the rebels had kidnapped. Several drug traffickers and undocumented aliens were arrested during that operation.

According to preliminary reports by the Panamanian police, the new poppy and coca plantations are scattered in strategic jungle areas between Darien and Colombia, making access to them difficult.

Opium is the plant from which heroine is extracted. It is one of the world's deadliest drugs and to date has killed thousands of people in the different countries where it is consumed.

Court Denies Extradition of Colombian Drug Trafficker

PA2603023194 Panama City Circuito RPC Television in Spanish 2300 GMT 25 Mar 94

[From the "RPC Television News" newscast]

[Text] The Supreme Court of Justice, in a plenary session, has studied the case of drug trafficker (Jacobo Lerner Zimmerman) in detail. Chief Magistrate Arturo Hoyos believes that keeping him in jail is the right decision.

[Begin Hoyos recording] The habeas corpus we reviewed refers to crimes (Mr. Lerner Zimmerman) is accused of committing in the Republic of Panama. Regarding said accusations, the Supreme Court finds that there is sufficient evidence to hold this person in connection with these drug-related crimes against the public. [end recording]

It is noteworthy that (Jacobo Lerner Zimmerman), a Colombian citizen involved in drug trafficking, is wanted by the United States for the same crime. The Supreme Court, however, has already denied an extradition request.

[Begin Hoyos recording] There is a ruling by the Criminal Court that denies the extradition request, and that ruling must be executed. [end recording]

In view of this Supreme Court decision, (Jacobo Lerner Zimmerman) will have to spend a long time in jail unless he escapes, which is not uncommon in the country's jails among people connected with drug trafficking.

Argentina

MTP Leader: Government Waging Campaign Against Him

PY2603020194 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0112 GMT 24 Mar 94

[Text] Buenos Aires, 23 Mar (NA)—Enrique Gorriaran Merlo, a former leader of the People's Revolutionary Movement (ERP) and current member of the All for the Fatherland Movement (MTP), has charged that a campaign "orchestrated by the government and spread by the media, and in one way or another answers to it" is being waged against him.

Gorriaran sent a letter—signed by "Enrique H. Gorriaran" and dated 14 March—to MTP leaders to request a leave. In it, he denounced reports that connect him to the super gang, the holdup of an armored car, and the planting of bombs at automatic teller machines

The letter says: "In my particular case, they have managed to convince those who believe whatever people say to think that I am either crazy or a criminal, and many others, who only believe part of these reports, to doubt that I am a revolutionary and to suspect that I belong to an intelligence service."

Gorriaran asserted that this campaign against him has intensified since the La Tablada events when a subversive group assaulted the barracks and were bloodily quelled.

He complained that "many books that together add up to some 2,000 pages have been written since then to cater to 300,000 readers interested in politics, and this is without taking into account hundreds of newspaper articles read by millions of people."

The former ERP member alleged that, as a MTP member, "this campaign seeks to damage the development of the political organization" of this political movement.

"These ill-intentioned reports are seeking to cast a slur on the memory of an entire generation of fighters from the 60's and 70's who have either died or been reported missing in order to belittle their examples of dignity and their libertarian sacrifices."

To that effect, he pointed out that he could not let more time pass "without responding to these and other infamies," and he considered it "his duty" to devote some time "to reply to accusations that have been circulating."

To conclude, Gorriaran asked to be relieved of his party affiliation for a time "due to the limitations of being underground." This suspension will "depend on the time I take to draft and order my testimony."

The request was accepted at a plenary session of the MTP, which "reiterated its trust in the revolutionary example that Comrade Gorriaran has been giving throughout all these years of militancy."

"Gorriaran went underground in January 1988 when a sector of Raul Alfonsin's administration accused him of being one of the promoters of the raid on the 3d Infantry Regiment headquartered at La Tablada, during which more than 20 people died, including MTP leader Jorge Banos."

Bolivia

Cabinet Presents Collective Resignation to President

PY2503180294 La Paz Television Nacional Network in Spanish 1700 GMT 25 Mar 94

[Report by Mario Espinoza]

[Excerpt] Concerning the cabinet crisis, the Council of Ministers today tendered their collective resignation to the president of the Republic.

At 1100 today, the foreign minister summoned all of the ministers. We can see the images showing the arrival of all the ministers at the Foreign Ministry to actually tender their resignations.

Within the next few hours, most certainly this afternoon, the new Council of Ministers will be installed at Government Palace. [passage omitted]

President Delays Installing New Cabinet

PY2603011194 Madrid EFE in Spanish 0022 GMT 25 Mar 94

[TEXT] La Paz, 25 Mar (EFE)—Carlos Sanchez Berzain, minister secretary general of the presidency, reported that Bolivian President Gonzalo Sanchez de Lozada delayed until 26 March the installation of his new ministers following today's collective resignation of his cabinet.

Sanchez Berzain said that President Sanchez is putting the final touches on his new cabinet during meetings he held today at his residence in Obrajes, a residential district in La Paz.

Political sources said the possibility exists of Sanchez de Lozada appointing a new aide who would be in charge of implementing the Popular Participation project, which currently is being discussed in Congress.

Five Ministers Changed

PA2603162394 Madrid EFE in Spanish 1545 GMT 26 Mar 94

[Text] La Paz, 26 Mar (EFE)—Bolivian President Gonzalo Sanchez de Lozada has changed five of his 10 cabinet ministers and created a new minister. This is Sanchez de Lozada's first ministerial change since taking office on 6 August 1993.

The ministries in which the Bolivian president made changes are: finance, human development, defense, justice, and social communication. He created a minister without portfolio in charge of capitalizing public enterprises.

New Cabinet Announced

PA2603173194 Madrid EFE in Spanish 1623 GMT 26 Mar 94

[Text] La Paz, 26 Mar (EFE)—Following a reshuffling of his cabinet, this is the makeup of President Gonzalo Sanchez de Lozada's new cabinet:
President: Gonzalo Sanchez de Lozada, leader of the liberal Nationalist Revolutionary Movement (MNR).
Vice President: Victor Hugo Cardenas, leader of the Indian Tupak Katari Revolutionary Liberation Movement (MRTK-L).
Foreign Affairs and Worship Minister: Antonio Aranibar, leader of the Free Bolivia Movement (MBL).
Economic Development and Finance Minister: Fernando Alvaro Cosio (MNR), replacing independent Fernando Illanes.
Human Development Minister: Enrique Ipina Melgar (MNR), replacing independent Fernando Romero.
Sustainable Development Minister: Jose Guillermo Justiniano (independent).
Government Minister: German Quiroga (MNR).
National Defense Minister: Raul Tovar of the Civic Solidarity Unity (UCS), replacing Antonio Cespedes (UCS).
Social Communication Minister: Ernesto Machicado (MNR), replacing Hermann Antelo (MNR).
Justice Minister: Rene Blattmann (independent), replacing Carlos Morales.
Labor Minister: Reynaldo Peters (MNR).
Presidency Minister: Carlos Sanchez Berzain (MNR).
Minister Without Portfolio: Alfonso Revollo (MNR).

Sanchez de Lozada Views Appointments

PA2703001194 Mexico City NOTIMEX in Spanish 2240 GMT 26 Mar 94

[Excerpts] La Paz, 26 Mar (NOTIMEX)—Bolivian President Gonzalo Sanchez de Lozada swore in his new cabinet today, thereby ending the ministerial crisis plaguing the first eight months of his administration. This will allow Congress to approve several projects presented by the Executive Branch.

The president told the new members of his cabinet: "The stage for creativity has ended. Now another stage can begin; one of practical and specific actions."

Sanchez de Lozada made changes in his 10-member cabinet after five ministers resigned. He also created a minister at large, thereby putting an end to what he believes is the first stage of his administration, which was inaugurated on 6 August 1993.

The Bolivian leader affirmed that this change was necessary because it comes at a vital and significant time for the country. Sanchez de Lozada is trying to get Congress to approve several draft laws regarding capitalization, popular participation, and education reform. [passage omitted]

Leaders of the four political parties that comprise the ruling coalition were present at the ceremony. They said the new cabinet will carry out the changes and programs set forth over the past seven months.

Max Fernandez, a leader of the Solidarity Civic Unity, who is said to be responsible for the cabinet crisis, said, "the time has come for the president to receive the conditional support of the ruling coalition to demonstrate that changes have finally come for the Bolivian people." Fernandez demanded a greater say within the Executive Branch in exchange for votes to approve the laws Sanchez de Lozada has presented to Congress.

Foreign Minister To Support Gaviria in OAS Elections

PY2503181394 La Paz Television Nacional Network in Spanish 1700 GMT 25 Mar 94

[Text] The Bolivian foreign minister will travel to the United States tonight to participate in an OAS meeting to elect the new OAS secretary general.

We complete this report by pointing out that the foreign minister, actually Bolivia, will vote for the candidate Cesar Gaviria, the current Colombian president.

Ex-President Announces Withdrawal From Politics

PA2703155494 Madrid EFE in Spanish 2352 GMT 26 Mar 94

[Text] La Paz, 26 Mar (EFE)—Former Bolivian President Jaime Paz Zamora announced his withdrawal from politics today. The announcement came after a police investigation linking him to drug-trafficking activities.

In a televised address to the nation, Paz Zamora said during his term in office (1989-93) "there was no crime, but there were errors," in reference to his relations with Isac Chavarria, alias Oso, allegedly Bolivia's most notorious drug trafficker.

Paz Zamora appeared spiritless on the television screen. He stood as he delivered dramatically his statement at the side of a crucifix.

The Special Force for the Struggle Against Drug Trafficking [Fuerza Especial de Luchas Contra el Narcotrafico—FELCN] revealed this week there are indications that during his presidential administration, Paz Zamora received and obeyed instructions from Chavarria to appoint officers in the Armed Forces and the government.

FELCN also delivered to a parliamentary commission a report indicating relatives of the former president as well as distinguished members of the social democratic

Movement of the Revolutionary Left [MIR], Paz Zamora's party, gave protection to the drug trafficker.

Among the accused are Susana Seleme, Paz Zamora's secretary when he was president, and MIR leader Oscar Eid.

Colonel Faustino Rico Toro, who in 1991 was appointed commander in chief of the antidrug struggle, was arrested on 22 March. The U.S. Government asked the Bolivian Government for his extradition on drug-trafficking charges on 23 March.

In announcing his withdrawal from politics, Paz Zamora, current vice president of Socialist International, acknowledged implicitly his relations with Chavarria but said he always acted in "good faith, close to naivete."

Several MIR leaders and relatives of the former president have admitted an old friendship united Chavarria and Paz Zamora who appear together in various old pictures the media have published.

Although he admitted his "mistakes," Paz Zamora said today he is astonished by certain people's "intention to treat maliciously" his personal relations, referring to his relations with Chavarria, who is in La Paz' maximum security prison.

The president said the charges against him "have not been proved" and accused his accusers of "tarnishing my family's honor."

The former president said he is concerned only with "the international impact" the charges against him and his party may have. He said "an effort is being made now to deny the results of the antidrug struggle" that his government waged, a struggle that has been acknowledged by the international community, he claimed.

Since handing the Presidency over to Gonzalo Sanchez de Lozada following the 6 June 1993 elections, Paz Zamora has secluded himself in his private residence in the town of Tarija, on the border with Argentina.

He made his only public appearance today since then. It came several months after the first reports of the drug-trafficking charges against his party, charges that in the past few days have centered on him.

Government Responds to Decision

PA2803015594 Madrid EFE in Spanish 0024 GMT 28 Mar 94

[Text] La Paz, 28 Mar (EFE)—The Bolivian Government today denied statements by former Bolivian President Jaime Paz Zamora, who claimed investigations into his alleged ties with drug-trafficking activities had "political designs" and were "malicious" in nature.

The Special Force for the Struggle Against Drug Trafficking [Fuerza Especial de Lucha Contra el Narcotrafico—FELCN] has disclosed evidence indicating that Paz Zamora received and obeyed instructions from alleged drug trafficker Isaac "Oso" Echevarria. The FELCN also reported the alleged ties of several leaders of the Movement of the Revolutionary Left (MIR) with drug-trafficking activities during Paz Zamora's administration (1989-93).

In a short communique, the Ministry of Social Communications said, "The FELCN investigations against several MIR leaders are not political in nature and, instead, result from the law's mandate."

In a message to the nation broadcast Saturday night, Paz Zamora asserted, "it seems this case is being given perverse treatment." He also said that the charges against him were "ill-intentioned" and attempted "to cause political damage and slander the dignity of the people."

The government, however, said, "actions have to be carried out in the future by the Judicial Branch and, in some cases, by the Legislative Branch," to clarify the charges. Regarding Paz Zamora's "irrevocable resignation" announcement saying that he would withdraw from politics, the Social Communications Ministry said this is Paz Zamora's "personal decision" and that the people will be the ones to assess judge it.

Brazil

Finance Minister To Resign, Bid for Presidency

PA2603175594 Madrid EFE in Spanish 1518 GMT 26 Mar 94

[Text] Sao Paulo (Brazil), 26 Mar (EFE)—It was disclosed today in Sao Paulo that Brazilian Finance Minister Fernando Henrique Cardoso will announce on 29 March his decision to resign as minister in order to participate in the October general elections as a candidate for the Presidency. A report appearing in the newspaper FOLHA DE SAO PAULO discloses that Cardoso has already advised President Itamar Franco of his intention to participate in the elections. The report adds that the minister has told Franco he would use the weekend to hold final consultations with his family.

Cardoso's decision was confirmed by Pedro Simon, Senate government spokesman, who believes the minister will be a strong contender. "If today, Cardoso is obtaining a 12-percent popularity rating at the polls with the inflation rate at 40 percent, then most surely, when inflation falls to 12 percent, Cardoso will receive a rating close to 40 percent," Simon has said.

Simon also disclosed that Franco, who discussed the issue with Cardoso on 24 March, has promised the finance minister that his resignation would not entail changes in the current cabinet or the country's economic program.

The minister is the mastermind behind the economic adjustment program, which has been being gradually

implemented since this past December and which entered its second phase three weeks ago with the introduction of a new economic modifier, the real value unit (URV).

With this program, which is scheduled to be completed in a month when the real, a new monetary unit on par with the U.S. dollar, enters into circulation, Brazil is seeking to balance its public finances, which currently have a $22.10-billion deficit. The program also seeks to cut the inflation rate, which surpasses 40 percent monthly.

"Whatever decision I may make, it will be based on my conviction that it is best for the economic program as well as for the country," Cardoso told "FOLHA DE SAO PAULO."

A commentary that appeared in the same newspaper states Cardoso will officially present his resignation on 29 March and that the minister will be replaced by Pedro Malan, president of the Central Bank of Brazil. The report adds Malan will in turn be replaced by Public Debt Negotiator Persio Arida.

Cardoso's candidacy is being promoted by the country's business sector as well as by leaders of several political groups interested in offsetting the presidential aspirations momentum of Luis Ignacio "Lula" da Silva, head of the socialist Labor Party. For the past year now, da Silva has led public opinion polls with a 30-percent preference, and he stands out as Franco's most likely successor during the general elections scheduled for 3 October.

Army Spokesman: Time 'To Let Things Calm Down'

PY2603030494 Rio de Janeiro O GLOBO in Portuguese 25 Mar 94 p 3

[Text] Brasilia—On 24 March, General Gilberto Serra, chief of the Army Ministry Social Communications Center, said it is not incumbent upon the Armed Forces to resolve the crisis that erupted between the three branches of government. He chose to describe the crisis as "a slight disagreement." According to Gen. Serra, the atmosphere prevailing in the country merits concern but is not serious. The Army spokesman added that Army Minister Zenildo de Lucena would have rescheduled the Army High Command meeting, which began on 24 March, if the situation in the country were truly serious. Gen. Serra said: Had there been grave concern, the Army minister would have ordered his commanders to stay with their units, and he would have rescheduled the High Command meeting, which was scheduled last year.

The spokesman added that the military ministers believe they have already discharged their duty by meeting with President Itamar Franco last week to alert him to the atmosphere of dissatisfaction in the nation caused by Congress' and the Federal Supreme Court's decision to increase their salaries. Serra said: They created a group of public servants who, unlike the rest of the people, are not affected by the Real Value Unit (URV).

Serra characterized the meeting requested by the military ministers as " preventive action." He said the problem existing between the branches of government is of a political nature and that it may be solved at any moment through dialogue. He added: It is not incumbent upon the Army or the Armed Forces to resolve anything. The use of the Armed Forces to defend law and order is an exclusive power of the president of the Republic. The ministers already have said all that had to be said. The time has come to let things calm down.

The first day of the Army High Command meeting was devoted to discussing the list of officers eligible for promotion. Only today will Gen. Zenildo de Lucena attend the meeting with the eight regional military commanders; Gen. Benedito Leonel, the Army chief of staff; and the Army department chiefs. Lucena will discuss the national situation and announce the promotion of 20 generals.

Bishops Leader: Franco Right on Salary Issue

PY2603014794 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 25 Mar 94

[Text] Today in Rio de Janeiro, Bishop Luciano Mendes, president of the National Conference of Brazilian Bishops, said that President Itamar Franco is handling the crisis with the judicial branch correctly. According to Mendes, the president has been showing goodwill and he is seeking to reach an agreement that does not harm the Brazilian people:

[Begin Mendes recording] Our expectation is that in such a moment [words indistinct] generalized and reach a situation in which the Federal Supreme Court, STF, would accept indications about the collective agreement renewal date for payment of salaries to its personnel; would give up interpreting the provisional measure text as if it called for moving up the date to convert salaries into the Real Value Unit, URV; and the president would see his proposal accepted, as he expected. It is expected of the president, however, that he recognizes the STF's autonomy and authority. [end recording]

Despite disagreements between these government branches, Mendes believes the two institutions will be strengthened by the crisis and that democracy in our country will become more consolidated.

Government Branches Reach Agreement; Franco Rejects It

PY2503215894 Sao Paulo FOLHA DE SAO PAULO in Portuguese 24 Mar 94 Section 1 p 10

[Text] Brasilia—On 23 March, President Itamar Franco rejected for the third time an agreement that would have put an end to the crisis among the three government branches over the conversion of salaries into URV's [Real Value Unit]. The agreement, which was negotiated

all day on 23 March with the active participation of Finance Minister Fernando Henrique Cardoso [FHC], was officially attacked by Federal Supreme Court [STF] representatives, party leaders in Congress, and Attorney General Aristides Junqueira. The agreement also depended on President Itamar Franco's approval. At the beginning of the evening the president said: "No."

For the sixth consecutive day, Brasilia awakes to an impasse. The government would have lost nothing with the agreement negotiated 23 March. It established that the conversion of salaries for Congress and STF employees would be made on the 30th of each month, without the additional 10.94 percent. This was exactly what the government wanted.

All the government had to do was reedit the MP [provisional measure], which creates the URV with some changes clearly establishing that the salaries of all public employees should be converted on the 30th of each month. The change meant admitting an executive branch mistake. The STF, which converted its salaries on the 20th, would have to retreat from its position, but it could argue that it proceeded correctly and that the mistake was made in the original MP. Thus, the judicial branch's autonomy would have been preserved and the issue would have been solved without any more problems.

Meeting

The proposal to reach an agreement was made the morning of 23 March in the home of Attorney General Aristides Junqueira. The meeting held there was attended by Ministers Cardoso (Finance), Mario Cesar Flores (Strategic Affairs), STF Justices Sepulveda Pertence and Paulo Brossard, and Deputies Nelson Jobim (PMDB-RS) [Brazilian Democratic Movement Party-Rio Grande do Sul], Sigmaringa Seixas (PSDB-DF) [Brazilian Social Democracy Party-Federal District], and Jose Genoino (PT-SP) [Workers Party-Sao Paulo].

The agreement was founded on a basic fact: The crisis could develop into an institutional confrontation, threatening the development of the democratic system. Everyone present at the meeting presented solutions. FHC said he also favored the agreement, but that it depended on a decision by the president of the Republic.

The meeting began at 0930 with the arrival of FHC. Soon afterward, Jobim, Flores, and the two justices who had met earlier arrived to discuss the situation. The rest of the participants arrived soon after.

At around 1900, when Congress considered an agreement certain, Minister Cardoso announced that President Franco did not accept the solution. According to the minister, the government will wait for a STF decision on the legality of converting salaries on the 20th. Franco did not want to admit that the PM was written incorrectly.

Consequences of the crisis are unpredictable. So far, the conversion of judicial branch salaries was based on an STF administrative decision disregarding the executive branch, which imposed a cut in workers' salaries. The administrative decision may become a court ruling based on suits presented 23 March by the judicial branch labor unions and may become a preliminary court ruling. With this new situation, instead of disregarding a mere STF administrative decision, the executive branch would be disregarding a court ruling, thus establishing an open confrontation between the two government branches.

Article Views 'Shaken' Democratic Process

PY2503170094 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Mar 94 p A7

[Article by Jose Casado]

[Text] Brasilia—The democratic process has really been shaken in Brazil. This is the basic and consensual analysis conclusion diplomats from industrialized countries sent to Washington, Paris, London, and Bonn in the last 48 hours. They stated that the institutional crisis—apparently prompted by a minor administrative issue (salaries)—served to consolidate the return of the Armed Forces to the decision-making focal point of the political power.

There is the possibility of extreme military intervention: a coup entailing the closure of Congress and the Federal Supreme Court, which are the targets of the executive branch. The analysts noted that this possibility is part of the scenario, albeit remote.

One fact considered most relevant in all reports sent abroad was the comment by Admiral Arnaldo Leite, chief of the Armed Forces Joint Staff, who said the highest judicial court had adopted an "illegal" administrative decision: It converted its payroll into URV's [Real Value Units] on the day it paid its personnel.

Information collected at Congress, the presidency of the Republic, Itamaraty, and military units, show that diplomats have been trying since the beginning of the week to evaluate the course of the crisis under the perspective of elections and the constitutional reform. They are unable to answer questions that are being discussed in Congress, like: Although part of the military is willing to stage a coup with the discreet support of some important civilians, would a "strong" government have any legitimacy following an armed intervention?

Apparently, the military chiefs are more intent on exerting governmental tutelage—like betting on the future (presidential succession)—than on trying to establish the conditions for a dictatorship based on a model instituted 30 years ago. The domestic and international scenario, apparently, would not look favorable on them under either possibility. They could lack legitimacy at home. A poll conducted in Sao Paulo by Toledo and Associates was published yesterday by O ESTADO. It shows that only 1.1 percent of those interviewed believe "military action" is necessary to solve the crisis.

The main international obstacle to intensifying military intervention in Brazilian politics would be the U.S. Government's alleged desire to prevent nationalist movements in the Southern Hemisphere from taking power because they could eventually oppose the development of U.S. strategic interests in emerging Latin American economies.

At the beginning of the week—with the crisis in full swing—U.S. Vice President Al Gore visited President Itamar Franco to confirm his government's Another issue shared by foreign analysts and Brazilian congressmen—to which no one has yet found an answer—is as follows: If the hypothesis of a coup is unrealistic, what possibility is there for Brazil to make its democratic process logical and functional during the closing stages of the Franco administration with a strong military presence at the epicenter of political decisions?

Also highlighted among the common points of the evaluation by foreign embassies in Brasilia as well as Congress was the level of frustration felt by middle-ranking military officers who were aroused by demonstrations of force by the Army, Navy, and Aeronautics commanders last week, and which was publicly endorsed by the president of the Republic.

The consensual conclusion is that the "coup"—in other words, military intervention in the political decisions process—tends to become consolidated in the day-to-day routine under President Franco's sponsorship. This domestic atmosphere would be favorable because we are witnessing a virtual dismantling of the institutions.

Itamar Franco—The president's feeling has been in keeping with that of the military. He recently became irritated by the legislative and judicial branches' decision to raise their own salaries. He believes this is the most serious crisis his government has experienced so far, but promises to continue to abide by "the law and the Constitution."

Octavio Gallotti—The STF [Supreme Federal Court] president has changed his habit of talking little. He issues daily official declarations and upheld the court justices' decision to convert their salaries into URV's on 20 March. He shows little desire to negotiate, insisting that the "STF abides by the law" and upholds the autonomy of the judicial branch.

Fernando Henrique Cardoso—After negotiating the provisional measure to create the URV with the STF, the minister was taken by surprise by the crisis. Like Itamar, he canceled transfering funds to cover the salary increases. The more difficult.

Inocencio Oliveira—The president of the Chamber of Deputies has become the mediator in the crisis. He failed in his first attempt to overcome the impasse between the executive and legislative branches, proposing that the salaries of the public servants be transformed into URV's on 25 March. He promised to annul the session during which the deputies approved the salary increase.

Humberto Lucena—The Senate president changed his mind after trying to get the vote on the salary increase for legislators included in the order of the day. He has participated in meetings to overcome the crisis and asked President Itamar to become involved in the negotiations. He still criticizes Itamar and Cardoso.

Ivan Serpa—The Navy minister has become the spokesman of the military unrest. He called the legislative and judicial branches salary increase "immoral." He believes the government must not yield to "pressure" or it will become the "slave" of other branches.

Genebaldo Correia Resigns To Avoid Losing Rights

PY2303001794 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Mar 94 p A9

[Excerpt] Brasilia—Deputy Genebaldo Correia (PMDB-BA [Brazilian Democratic Movement Party-Bahia State]), who the Budget CPA [Congressional Investigating Committee] has charged with corruption, resigned his congressional mandate on 21 March to avoid being dismissed, and thereby, losing his political rights for three years.

Correia's resignation nullifies a procedure, involving 17 congressmen incriminated by the CPI, to strip him of his congressional mandate. The Chamber of Deputies Constitution and Justice Committee (CCJ) has handled the procedure. Genebaldo delivered a speech, marked by emotion, in a quiet voice. He was unable to prevent shedding a few tears. [passage omitted]

Three Deputies Resign Over Embezzlement Charges

PY2203183994 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 22 Mar 94

[Text] Three deputies resigned this morning to avoid being stripped of their political rights and from being prohibited to run for the next elections. They are accused by the budget CPI [Congressional Investigative Committee] of embezzlement and malfeasance in office.

While the defense witnesses for Deputy Cid Carvalho were testifying before the Constitution and Justice Committee, Carvalho presented his resignation to the committee. He said he resigned because he cannot defend himself against the budget CPI accusations.

[Begin recording] [Carvalho] I am ready to be processed under a common civil court, under which I will be tried anyway.

[Unidentified reporter] Does this mean the end of your political career?

[Carvalho] Yes. [end recording]

This was the first resignation of the morning. Later the plenary hall was informed that two other deputies

charged with the same crimes also presented their resignation. They are Deputies Manoel Moreira from the PMDB [Brazilian Democratic Movement] Sao Paulo, and Joao Alves, who was expelled from the PPR [Progressive Renewal Party] of Bahia.

The three deputies resigned two months after the budget CPI decided to judge them. The final CPI report accuses the three of embezzlement and malfeasance in office. This is why it requested that they be stripped of their political rights for lack of decorum. By resigning, the deputies avoid undergoing a political trial and a sentence forbidding them to run for elections for three years.

The Constitution and Justice Committee which met today to approve the stripping of political rights of Deputy Joao Alves was taken by surprise by his decision. Committee rapporteur Deputy Moroni Torgan was this morning trying to make the committee members vote on the issue by alleging that the resignation is irrevocable only when it is published in the congressional bulletin, which has yet not happened.

[Begin Deputy Thomaz Nono, president of the Constitution and Justice Committee recording] I have listened to the committee. As I said before, our action is merely political. The only thing the Chamber of Deputies can do is to strip him of his political rights. When a deputy resigns like this, even though he may deny it, in practice he is really confessing his guilt and loosing his mandate which is the political sentence that the Chamber of Deputies would have imposed on him. [end recording]

Roundup of Economic Reports

PY2403212794

[Editorial Report] The following is a compilation of reports on economic activities in Brazil monitored through 24 March.

The Brazilian Petroleum Corporation broke a production record in February with average production of 702,833 barrels of oil per day. The company attributed the increase to operational efficiency improvements in Rio de Janeiro's ocean oil platform. (Brasilia Voz do Brazil Network in Portuguese 2200 GMT 18 Mar 94)

Last year Brazil sold iron ore to 35 countries, of which Japan, Germany, South Korea, France, Italy, and the PRC purchased 65.4 percent of the 111.861 million metric tons produced. Japan was the leading purchaser with 28.329 million metric tons, 1.681 million more than in 1992. (Sao Paulo GAZETA MERCANTIL in Portuguese 18 Mar 94 p 15)

According to Brazilian Institute of Geography and Statistics, IBGE, estimates released on 18 March, the 1993 GDP totaled 44.87 trillion real cruzeiros in current value. The economy grew 4.96 percent. (Sao Paulo FOLHA DE SAO PAULO in Portuguese 19 Mar 94 Section 1 p 10)

The IBGE and the Getulio Vargas Foundation projected a 42.24 percent inflation rate for March. The consumer price index, IPC, was 40.9 percent on 17 March. The IPC for those who earn up to eight minimum salaries in Sao Paulo was 45.08 percent, 2.45 percentage points higher in just one week. The IPC for Rio de Janeiro was 43.68 percent, 2.07 percentage points higher. (Sao Paulo FOLHA DE SAO PAULO in Portuguese 19 Mar 94 Section 2 p 1)

The Brazilian Iron and Steel Institute reported that Brazilian steel production was 1.964 million metric tons in February, a daily average of 70,000 metric tons more than in January. Production increased 4.7 percent compared with February 1992. (Sao Paulo GAZETA MERCANTIL in Portuguese 19 Mar 94 p 10)

Brazil's trade exchange with Common Market of the South, Mercosur, member countries totaled $8.73 billion in 1993, an increase of 37.56 percent compared with 1992's $6.35 billion. Brazilian exports to Argentina, Paraguay, and Uruguay were $5.4 billion; imports were $3.3 billion. The trade balance with Mercosur was 11.64 percent more than in 1992. (Sao Paulo GAZETA MERCANTIL in Portuguese 21 Mar 94 p 5)

The Brazilian trade surplus in February was $726 million: Exports totaled $2.778 billion and imports $2.052 billion. The Industry, Commerce and Tourism Ministry reported that this is a record surplus for February. (Brasilia Voz do Brasil Network in Portuguese 2200 GMT 22 Mar 94)

Industrial production grew 9.8 percent in January compared with the same month last year. It registered the highest production level since February 1987, barely 5.2 percent lower than the record rate registered in that month. Cumulative industrial production grew 14.8 percent from September to January. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Mar 94 p B10)

Stock markets dropped because of the crisis between the executive, legislative, and judicial branches and high interest rates. They decreased 6.19 percent in Sao Paulo and 4.56 percent in Rio de Janeiro. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Mar 94 p B1)

Agriculture Minister Announces Record Harvest

PY2203161594 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Mar 94 p B6

[Report by Sandra Sato]

[Text] Brasilia—Agriculture Minister Sinval Guazzelli announced yesterday that Brazil will have a record grain harvest of 73.6 million tonnes in 1994. The estimated production was calculated by the National Supply Company (Conab). The minister said the record harvest will provoke a drop in grains prices, particularly beans, in the next 45 days. Beans were marked as the villain in the FHC2 [Fernando Henrique Cardoso 2] Plan because

prices tripled following the creation of the Real Value Unit (URV). Bean prices will "probably drop" again, the minister said.

Guazzelli said the high price of beans followed a lack of rain in bean-producing regions like Irece, Bahia. It is now raining in the northeast and the Ministry of Agriculture is anticipating that farmers will harvest 1.3 million tonnes during this period of "partial harvest." This represents a 66-percent increase compared to the same period in 1993.

Corn and soybean will help to make the 1993/1994 harvest the best in Brazilian history. The minister said corn production is up by 2.5 million tonnes and soybean by 1.5 million tonnes. Conab figures show rice production is also up by 7.7 percent compared with last year, to 10.6 million tonnes.

The current record was set in 1990 when total grains production reached 71.5 million tonnes. The following two harvests fell below 60 million tonnes. Last year production reached 68 million tonnes. The numbers announced yesterday are only estimates, but the minister trusts the figures. "The harvest could even be larger because Conab calculations are very conservative," the minister quipped. He added that the country has the potential for even larger harvests.

While farmers produce their rice, beans, corn, and soybean, the government is responsible for ensuring proper storage conditions. Last year Conab withdrew the authorization of several grain stores due to administration irregularities and technical problems.

The minister said he does not anticipate any problems because some grain stores that lost their credentials have corrected the problems and again offer their services to Conab. Guazzelli figures he will need $2 billion to guarantee the commercialization of the record harvest.

Rising, Falling Influence of Juiz de Fora Group Seen

94SM0264A Sao Paulo VEJA in Portuguese 16 Feb 94 pp 21-22

[Article: "Every Man for Himself"]

[Text] *Itamar's friends are going their own ways, and the Minas Gerais group is coming apart.*

The "Cheesebread Republic" is no longer the same. The debate on the economic plan in Congress has broken up the Juiz de Fora group and shown who is holding the ball now: Minister of Finance Fernando Henrique Cardoso. The president's friends from Juiz de Fora no longer meet around the chief's desk late every afternoon for cheesebread and a bit of chitchat. Itamar is enthusiastic about his minister of finance's performance in getting the plan approved and has caused his friends to lose the influence they once exercised on government decisions. They still have power, but they no longer act as a bloc. Each one has started tending his own garden. Minister Henrique Hargreaves, the leader of the "Republic of Juiz de Fora," is back in command of the Civilian Household (see the end of this article). His sister Ruth Hargreaves manages the presidential temper with patient work that pleases the president. Physician Saulo Moreira is waiting resignedly for the administration to come to an end. Attorney Jose de Castro, the president of Telerj, wanders around Brasilia acting like someone uninformed, although in fact he is much better informed than ever. And Minister Mauro Durante is worrying about the future.

The collapse of the Juiz de Fora group coincided with Fernando Henrique's ballet for getting the plan approved. Two weeks ago, Itamar was in his office talking to his old friend Raul Belem, leader of the PP [Progressive Party] in the Chamber of Deputies, and former Minister of Finance Eliseu Resende. At one point, Belem ventured a comment: "Itamar, just look at how things are. Inflation is rising steadily, interest rates are way up there, and Fernando Henrique has the support of the media and prestige in Congress." Then, looking to the side, he added: "If only it had been that way with you, eh, Eliseu?" The former minister was realistic: "Oh, I was at the end of my rope, Raul," Eliseu said. A pleased president chimed in: "You are right. Fernando is incredible. Incredible. He is very competent." So far, Itamar's friends have not shown signs of envying Fernando Henrique his power. "We all know our limitations now," says Minister of Planning Alexis Stepanenko, a member of the Juiz de Fora group by adoption. "That's good because we can do a better job with the work before us." Senator Pedro Simon, the government leader, has noticed the change in the president's conversations. "He is talking to more people," Simon says.

Dull life—Now that the Republic of Juiz de Fora has fallen apart, some of Itamar's friends have lost interest in power, and others are tending to their duties in the corridors of the palace. Spokesman Francisco Baker is leaving the administration at the end of this month to work as adviser to the IMF in Washington, where he will earn $5,000 per month. Physician Saulo Moreira, in charge of the policy for reducing the price of medicines, is counting the days until this administration ends. "I'm going crazy waiting to get out of this" is the scornful phrase frequently repeated around the palace. Former presidential adviser Thales de Souza Ramos, an anesthesiologist, no longer has a guaranteed seat at Planalto Palace. Immediately after Itamar took office, Thales spent a long period in Brasilia and then was asked to return on several occasions. Now he almost never leaves Minas Gerais, and he rarely meets with Itamar. "I would rather keep on drinking beer with friends in Juiz de Fora than put up with that boring life in Brasilia," he once commented.

Among those who are still active, special adviser Ruth Hargreaves has seen her influence grow. A friend and confidante of Itamar's, she keeps the chief in a good mood. On Wednesday the 2d, when Congress failed to

approve the Emergency Social Fund, Itamar was furious. Ruth immediately went into action to calm him down. "Don't worry," she said. "I've heard that the PMDB [Brazilian Democratic Movement Party] is going to vote for it." Playing coy, attorney Jose de Castro let it be known that he was not informed. But he was. Last week he landed in Brasilia and followed a well-informed agenda with absolute discretion. He talked to the president, held a secret meeting with Sao Paulo Governor Luiz Antonio Fleury Filho, and held a lengthy conversation with Minister Fernando Henrique about the introduction of the URV [expansion not given]. Minister Mauro Durante is another presidential friend whose influence with the president has increased recently as he has filled the vacuum left by the departure of Hargreaves. But he is worried about his future means of livelihood. "All it will take is a stroke of the pen by Lula, and I will no longer have a means of supporting my family," the minister confided to a friend. Durante, an attorney from Embrapa who was hired under the CLT [Consolidated Labor Laws], can be fired by the administration at any time. "We need to start thinking about the future," the minister was told by his friend Osiris Lopes Filho, whom he had appointed to the Federal Tax Office. One adviser at Planalto Palace says: "Itamar may arrange a lifetime position for him, perhaps by appointing him to a vacant judgeship, before this administration ends."

Astral: Itamar himself already regards the current phase of his administration as being the last. "I am absolutely convinced that this administration will end on 3 October," he told a friend during a conversation at the end of January. "From then on, the country will have two presidents, and my job will be to manage the transition." In view of Fernando Henrique's popularity, some of Itamar's friends are concerned about showing who possesses the presidential sash. They want the president to do more traveling around the country and be seen with the people. Itamar is scheduled to spend Carnival in an improvised theater box on Marques de Sapucai Street in Rio de Janeiro, from where he will watch the Mangueira parade. Then he plans to visit Rio Grande do Sul and Sao Paulo. Minister Elcio Alvares had another idea. He is organizing a dinner with the president for the ministers, since Itamar has abandoned tedious routine business. The president currently meets with ministers only when something specific needs to be dealt with. "In practice, the economy is now being run by Fernando Henrique's team, not the president, who works with the minister to formulate general guidelines," says one of the ministers. According to another adviser, Itamar has finally acquired the notion of limits. "More than just learning what a president can do, he has realized what he will not be able to do, with the result that he is free of the anxiety that existed at the beginning."

While his Juiz de Fora friends scatter and others try to make him look more like a president, Itamar Franco has started living on an astral plane. He leaves his office earlier than before: at around 2030 rather than 2300 as formerly. He has stopped eating with advisers at Planalto Palace and now leaves every day to have lunch at home: at Alvorada Palace. He no longer becomes irritated at criticism of the government while watching the news on television, and he has even started calling his former girlfriend, Lisle Lucena, again. Pleased with the approval of Fernando Henrique's second economic plan, Itamar is happy with a poll whose results will soon be released. It shows that the figures on his first year in Planalto Palace are much better than Collor's. But inflation, which has doubled under his administration, is the most negative feature of his administration (see the table).

The only episode to spoil the president's good mood last week was a health problem. According to an announcement by Carlos Alberto Oliveira Faria, Planalto Palace's official physician, Itamar suffered food poisoning after eating a chicken potpie at Alvorada Palace. The person who brought the potpie to the president's table claims that the tidbit was in perfect condition and very tasty besides. At around 1030 on Sunday, the president went out to read the newspapers beside the swimming pool at Alvorada Palace and went to sleep in the sun for an hour. He ended up with heatstroke.

The Figures on Itamar

Description	Collor (1992)	Itamar (1993)
Gross domestic product (percent)	-0.9	5.0
Industrial production (percent)	-3.6	9.0
International reserves ($ billions)	23.0	33.0
Foreign investment ($ billions)	2.8	7.0
New loans ($ billions)	7.9	10.0
Yield from privatization ($ billions)	2.3	3.0
Vehicle production (millions of units)	1.0	1.4
Roads repaired (kilometers)	1,400.0	6,600.0
Inflation (percent)	1,174.0	2,567.0

Source: Special Office for Intergovernmental Communication, Office of the President of the Republic.

President Itamar Franco is pleased with the results of his first year in office. His figures are much better than those of his predecessor, but they reveal a gloomy score on inflation, which doubled in size compared to the year before.

"I've Come Back a Changed Man"

Minister Henrique Hargreaves, one of the generals in the Republic of Juiz de Fora, is back in the administration. Hargreaves left the Civilian Household 101 days ago after being accused of involvement in the Congress budget scandal. Since nothing against him was proven, Hargreaves took office again before a single witness last Tuesday. The minister stationed himself beside the bed of President Itamar Franco, who was recuperating in Alvorada Palace, and signed the book making him chief of the Civilian Household. Soul cleansed, he postponed the ceremony until later, when a party held in Planalto Palace included the popping of 14 bottles of French champagne. "I would not say that I was depressed because of my departure. My feeling was one of bitterness," Hargreaves said.

At 57 years of age, married, and with two children, the minister, who was once a sergeant in the Army, resented his forced removal from power. After being accustomed to meeting up to 40 congressmen in his office every day and answering an equal number of telephone calls, Hargreaves suddenly found himself alone and being visited only by a few friends. One of them was President Itamar himself, who telephoned Hargreaves a few times and visited him on five occasions. During one of those visits, Hargreaves was invited to return to the administration. He accepted immediately. During his hibernation, he had gone on a diet and lost five kilograms, which he has now duly regained, and even contacted future clients with a view to reopening his law office in Brasilia.

Arrogant—Hargreaves always retained a thread of hope that he would return to power. Mainly because Itamar, besides showing him friendly support, never actually installed his successor, Tarcisio Cunha. "It was a good time for me to engage in some self-criticism," the minister says. "I feel that I made a lot of mistakes; I was quite arrogant, but I have come back a changed man." All that remains is to convince his opponents. Last week, a direct adviser to the president was already spreading venom over the minister's return. He said that during his first period in Planalto Palace, Hargreaves had been one of the ministers making the most use of government jets, mainly on Fridays.

Oil Reserves Guarantee Supply for 16 Years

94SM0264B Sao Paulo GAZETA MERCANTIL in Portuguese 25 Feb 94 p 20

[Article by Fatima Belchior: "Country's Reserves up 5.5 Percent, Guarantee Supply for 16 Years"]

[Text] Rio de Janeiro—Brazil ended 1993 with proven oil reserves of 3.8 billion barrels, a volume 5.5 percent higher than the 3.6 billion barrels estimated by Petrobras at the end of 1992. Natural gas reserves rose from 136.7 billion to 137 billion cubic meters, an increase of only 0.2 percent.

By reaching the level of 3.8 billion barrels (a figure representing what it will be possible to produce), Brazil is guaranteed a petroleum supply for 16 years if no more is discovered and if it continues to extract an average of 700,000 barrels per day, as it is doing today.

If that conservative scenario holds up, the figures are quite comfortable compared to those in other countries. Although worldwide reserves (1 trillion barrels) are sufficient for 43 years, their distribution is less comfortable for some countries. The United Kingdom has enough petroleum for 5.9 years' worth of consumption, and the United States has enough for 9.8 years, according to Dimas Jose Simoes, deputy superintendent of operations in the Petrobras Department of Exploration.

The fact is that petroleum reserves are concentrated in a small group of countries. Ninety percent of the world's petroleum reserves are owned by only 12 countries (most of them in the Middle East). Brazil, which possesses 0.4 percent of the total, is in 20th place. And 54.1 percent of the world's natural gas reserves, which total 138 trillion cubic meters, is in the Commonwealth of Independent States (the former Soviet Union) and Iran. In this case, Brazil occupies a modest 40th place.

Petrobras's plans for increasing Brazilian petroleum reserves call for investments on the order of $700 million annually in 1994 and 1995, according to Celso Lucchesi, the firm's superintendent of exploration. Petrobras expects to add 350 million barrels per year through 1997.

In 1992, for example, when the proven reserves in 234 countries rose by 2 billion barrels, Brazil added 830 million, or over half the worldwide volume [as published]. This was achieved thanks mainly to Petrobras investments beginning in the mid-1980's in the deep waters of the Campos Basin, where the company discovered the giant Marlim, Albacora, and Barracuda fields. In 1992, when worldwide investments in exploration totaled $11.6 billion, Petrobras invested $680 million, the equivalent of about 6 percent of that total.

Potential

According to Simoes, the 3.8 billion barrels of proven reserves may increase to 8.8 billion. The difference between the two figures (5 billion barrels) represents petroleum that has been discovered but whose volume has not been verified, a process that will require additional exploration investments beyond those already made.

Petrobras also has a third figure reflecting "petroleum potential": 18 billion barrels of oil equivalent (including, in this case, petroleum and natural gas).

Chile

Foreign Ministry Denies U.S. Pressure on OAS Vote

PA2603194694 Mexico City NOTIMEX in Spanish 1822 GMT 26 Mar 94

[Excerpts] Santiago, 26 Mar (NOTIMEX)—The Chilean Foreign Ministry today denied being pressured by the United States or the Rio Group to withdraw its support for Costa Rica during Sunday's election of an OAS secretary general.

The Foreign Ministry reiterated in a communique Chile will vote for the Costa Rican candidate, Foreign Minister Bernd Niehaus, in tomorrow's elections to appoint the successor of Brazilian Joao Baena Soares. [passage omitted]

Representatives for member countries will have to choose between Colombian President Cesar Gaviria or Costa Rican Foreign Minister Bernd Niehaus, because Venezuela withdrew its candidacy this week. [passage omitted]

"We have not come under pressure; all we have received are the views of several Rio Group foreign ministers," said Chilean Foreign Minister Figueroa, who on the afternoon of 25 March traveled to the U.S. capital.

Figueroa said Chile will "honor" the written pledge signed by former President Patricio Aylwin and support the Costa Rican foreign minister.

He said President Eduardo Frei hopes the next OAS secretary general will concentrate on resolving the continent's internal problems and play an active role in the United States' relations with other continents.

Defense Under Secretaries Appointed

PY2503164994 Santiago LA TERCERA DE LA HORA in Spanish 14 Mar 94 p C2

[Text] President Eduardo Frei Ruiz-Tagle yesterday confirmed some appointments in Defense Undersecretariats. He also confirmed Admiral Patricio Arancibia as National Defense chief of staff.

Thus, lawyer Jorge Burgos will remain as War under secretary; lawyer and political scientist, Carlos Eduardo Mena, is the Navy under secretary; lawyer Luciano Fouillioux is the Carabineros under secretary; lawyer Mario Fernandez is the Air Force under secretary; and retired Brigadier Jorge Pantoja is the Investigative Police under secretary.

Lieutenant Colonel Ramon Iturra (Army), Corvette Captain Antonio Idiaquiz (Navy), Group Commander Javier Cancino (Air Force), and Commander Fernando Vidal (Carabineros) become The Armed Forces and Forces of Order aides de camps of Defense Minister Edmundo Perez Yoma.

Aninat Announces More Active International Talks

PY2503194394 Santiago EL MERCURIO in Spanish 13 Mar 94 p C3

[Excerpt] Finance Minister Eduardo Aninat stated yesterday that Chile will become much more active in its trade negotiations with other countries and that it will adopt a firm stance regarding protectionism in keeping with the position of the GATT Uruguay Round talks, whose agreement will be signed next month.

Aninat said the administration will place special emphasis on the access of Chilean agroindustrial products in the European Union, Pacific Asia, and the Northern hemisphere.

Aninat said the finance, economy, and foreign ministries will act jointly to increase Chilean knowledge of those countries.

Aninat also disclosed that on 14 March, after President Eduardo Frei opens the Meeting of World Businessmen, he will announce the guidelines of his government's macroeconomic policy.

The finance minister said special emphasis will be placed on the reconversion of certain productive sectors as well as on microeconomic aspects, or "defining the peoples' real problems." He stressed that this government will try to improve the quality of job opportunities.

Aninat said the government will especially seek to maintain the level of certain key prices and to safeguard stability and growth, in addition to continue to curb inflation. [passage omitted]

New Basic Environment Law Outlined

PY2503220394 Santiago EL MERCURIO in Spanish 10 Mar 94 p 7

[Article from the "Environment and Development" column by Lilia Duery A.]

[Text] Simple, comprehensive, integrating, realistic, and feasible are some of the words that describe the Basic Environment Law (No. 19300). This law that took 14 months to be approved by Congress was implemented on 9 March after its publication in the official gazette.

In the opinion of the law's authors, the instruments that outline the future of Chile's environmental actions are inspired in an integrating approach capable of granting, without going into details, key and generic guidelines for all national environmental problems. In other words, the easiest path was chosen, taking into account that with rules at hand it is easier to solve problems and progressively tackle each of the situations the country must face in this field. This will be done through the respective regulations that will be implemented over time.

The basic law is divided into 94 articles in addition to three transitory articles. It consists, basically, of a series

of definitions and principles regarding its importance, in administration and institutional instruments that will allow its implementation, and in a system to define responsibility for damaging the environment.

This new law includes (discarding the idea of codifying in a single text the various important regulations in force regarding the environment in Chile) two main instruments that will make its implementation feasible. National Environment Commission (Conama) executive secretary Rafael Asenjo referred to these instruments:

Key Instruments

The main instrument is the System for the Assessment of the Impact on the Environment [Sistema de Evaluacion de Impacto Ambiental—SEIA] that, according to Asenjo, in addition to its preventive nature regarding Chilean production activities, deals with the international competition demanded in sustainable development. It includes procedures for the establishment of standards for emissions, quality, and environmental terms, giving the productive sector (either public or private) full autonomy to choose its own technology to attain these goals.

It also includes prevention or decontamination plans, whatever is needed, that can resort to market instruments such as a "permit for negotiable emissions." Here again, the law grants business people the freedom to reach agreements among themselves for the fulfillment of environment quality standards for a specific area. Rafael Asenjo said: "Once rules for the use of this mechanism have been defined, we believe it will greatly contribute to a progressive, gradual, and sustained reduction of pollution levels."

This chapter also includes plans for the handling of natural resources, the improvement of the National Wild Areas System protected by the state, and the citizenry's participation, especially regarding their right to be kept informed on environment-related studies.

New Public Service

The second instrument of the law is of an institutional nature. In fact, Conama ceases to be an advisory commission to become a public service, with legal status and its own patrimony. Its main role will be to integrate and coordinate the environmental activities of all sectors of the public administration that have any say in the matter. The executive council formed by 10 ministers and the Conama executive director also is created.

This organization, in turn, will operate in a decentralized manner through respective regional environment commissions (Coremas) and will act as a horizontal structure at the government level that will be supervised by the president of the Republic through the ministry secretary general of the presidency, a privileged interlocutor between the government and the community. Moreover, Conama will be in charge of revising and periodically (every five years) updating the regulations issued regarding various subjects. In this case, surveillance will be absolutely by sectors, except in the case of complaints, in which case this service is in charge of making sure the law is respected. In this regard, it should be pointed out that people may approach the city halls authorized to hear the complaint and channel it to the respective Corema or the main office if necessary, under threat of a court ruling if it fails to do so.

Regional Model

In one way or another, this law contains and expresses the principles "whoever contaminates pays" (in other words, whoever contaminates must include in his costs what it will cost to decontaminate), as well as the "gradualism" and "realism" principles.

Rafael Asenjo said: "This is the result of having explicitly tackled the subject from an integrative and comprehensive viewpoint for the first time in Chilean law." Therefore, he added, when we start to apply the law "we will take a necessary quantitative step forward in our country's environmental activities."

In this sense, Asenjo believes that there is a more optimistic future for Chile, noting that the laws dictated during the past years by the Latin American countries have not followed this model. He commented that despite the huge economic and human resources they have earmarked, their environmental problems have not been reduced. "We believe the reason for this failure in the region has been the attempt to solve everything at once with the same law and having created a fully sectorial institutional scheme that has lead nowhere and caused the various ministries to compete with each other," Asenjo commented.

Specific regulations are necessary now to start applying the environment law.

Colombia

Liberals Assail Pastrana's Choice of Running Mate

PA2803032494 Santa Fe de Bogota EL TIEMPO in Spanish 21 Mar 94 p 6A

[Text] The presidential campaign of Ernesto Samper and Humberto de la Calle is contending that the choice of Luis Fernando Ramirez as Andres Pastrana's running mate has taken away, once and for all, any banner of pluralism Pastrana wanted to give his campaign.

Fernando Botero, Samper's campaign manager, believes Pastrana offered the vice presidency to several Liberals in what he called a "cunning electoral maneuver," but none of them were willing to side with him.

Meanwhile, Humberto de la Calle Lombana, Liberal vice presidential candidate, said Ramirez is a young and intelligent man, but an absolutely beatable candidate.

Samper's official position on the Pastrana-Ramirez slate was outlined on 19 March—the same day the Conservative ticket was announced—through a statement issued by Samper's campaign manager.

According to the Liberals, the choice of Ramirez should generate three reactions from the public. First, Pastrana's decision "signifies his own explicit acknowledgment of the huge failure of the supraparty strategy he announced with much hoopla the day he was nominated."

The statement added: "Second, Colombians must be fully aware that, by law, Ramirez is unqualified to be a vice presidential candidate or, under the very remote chance of a Conservative victory in the 8 May elections, to occupy the vice presidency or the presidency of the Republic. Without belittling Ramirez's personal and professional qualifications, it is more than obvious that he was until yesterday a government minister, and this obviously makes him ineligible to run for the vice presidency."

The Samperist viewpoint contends that Colombians now have two alternatives which radically oppose one another.

One alternative is the Liberal ticket which, according to Samper, "represents a serious and experienced team that is deeply committed to the people and social capitalism."

The other one is "the inexperienced Conservative Pastrana-Ramirez ticket, which exemplifies fruitless, uncontrolled capitalism in the current electoral process."

Its conclusion is that "all of this proves that Pastrana is unable [biche] to assume the serious responsibilities demanded by the Colombian presidency."

Ernesto Samper's campaign also asserts that the difficulties Andres Pastrana encountered when trying to find a running mate convey a lack of leadership and reduce his chances of winning. It notes that Pastrana offered the nomination to "many Conservative [as published] members," but was unable to get a positive answer.

Another source said: "The truth is that Pastrana offered this candidacy to many prominent Liberals, but none would commit to this cunning electoral maneuver of hiding a wolf—a Conservative candidacy—in the sheep's clothes of a Liberal vice president."

In the eyes of Samper's team, this is the last nail in what it calls "the coffin of supraparty sophism that Conservatives tried to use to deceive public opinion, which today is completely aware of the foundations of the Samper and Pastrana candidacies."

Roundup of Electoral Developments

PA2603200194

[Editorial Report] The following is a compilation of reports on developments related to the Colombian elections scheduled for 29 May.

Conservative Party presidential hopeful Juan Diego Jaramillo has given up his presidential aspirations. Jaramillo has acknowledged most Conservative Party members support the candidacy of Andres Pastrana, though he has reiterated he will not endorse Pastrana. Jaramillo has concluded he recently declined an offer by candidate Miguel Maza Marquez to become his running mate. (Santa Fe de Bogota EL TIEMPO in Spanish 19 Mar 94 p 7A)

Upon analyzing the results of the Liberal Party, PL, presidential primary election, opposition presidential candidate Andres Pastrana said on 14 March that one of his campaign's main objectives will be to lure 52 percent of PL members who did not vote for Samper. He said Samper was unable to garner 50 percent of the vote, because his program is incoherent. Pastrana concluded he will also concentrate on seeking the support of youths, who appear indifferent regarding the election. (Santa Fe de Bogota EL TIEMPO in Spanish 15 Mar 94 p 11A)

Pastrana highlighted the differences on 20 March between his proposal and that of PL candidate Ernesto Samper to build a subway in Santa Fe de Bogota. On touring the capital, Pastrana said while he will build the subway by granting a concession to private companies, Samper will fund construction via new taxes and the privatization of public companies. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 21 Mar 94)

Pastrana cited the need on 21 March to strengthen the Army and called on guerrillas to demonstrate a genuine desire for peace. Speaking at a rally in Florencia, capital of Caqueta Department, Pastrana said if guerrillas do not show their determination to attain peace, "the Armed Forces will be forced to enforce the state's obligation of guaranteeing Colombians' lives and property, as established by the Constitution." Pastrana pledged to offer credits to peasants to make them private entrepreneurs. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 22 Mar 94)

Luis Fernando Ramirez, Conservative Party vice presidential candidate, has challenged his colleague, Humberto de La Calle, to a public debate to discuss ideas and the government program. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 21 Mar 94)

Samuel Moreno Rojas, representative of the National People's Alliance, has said he will endorse Ernesto Samper in his bid for the presidency. Moreno has said Samper's political platform is fully committed to social investments. He has concluded Cusiana oil resources must be invested in the infrastructure to be able to better compete in international markets. Moreno Rojas called

for the reactivation of the economy in the countryside. (Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 25 Mar 94)

The 19 April Movement Democratic Alliance, AD/M-19, presidential candidate Antonio Navarro Wolff has chosen Indian Jesus Enrique Pinacue as his running mate. AD/M-19 suffered a setback on 18 March, however, after Representative Gustavo Petro resigned from the party, announcing he will not support Navarro in the presidential election. Petro said the results of the legislative election reflect the party's inability to differentiate itself from traditional parties. (Santa Fe de Bogota EL TIEMPO in Spanish 19 Mar 94 p 8A)

Navarro Wolff said in Barranquilla on 20 March his running mate is the best alternative for Colombians. Meanwhile, vice presidential candidate Jesus Enrique Pinacue has said he favors the resumption of talks with the guerrillas. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 21 Mar 94)

Eighteen candidates have reportedly registered to run for president in the upcoming May elections. Among the most prominent candidates are: Ernesto Samper Pizano; Andres Pastrana; Enrique Parejo; Antonio Navarro Wolff; Miguel Maza Marquez; Gloria Gaytan; Regina Betancur de Liska; Oscar Rojas Mazo; Jose Antonio Cortez; and Guillermo Aleman. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 19 Mar 94)

Commentary Questions Guerrilla Objectives

94SM0267A Santa Fe de Bogota EL TIEMPO in Spanish 24 Feb 94 p 4A

[Commentary by Enrique Santos Calderon: "What Do They Want?"

[Text] Kidnappings of incumbent or would-be legislators and of their spouses or relatives; taking mayors and councilmen hostage; selective assassinations of regional political leaders; bombings of political headquarters-...Besides their customary destruction of the nation's assets and violence against law enforcement, the guerrillas are now bent on "making their presence felt" in the elections.

And what a way of doing it: by killing, kidnapping, and setting fires. It is ultimately a pitiful cry of political powerlessness. It is a clumsy, brutal attempt to show that they have not yet become criminals through and through, that they still have something to do with politics. This is why they are going about disrupting the elections.

But what is it that they want? This is something that no one has been able to figure out. Aside from their by now timeworn platform of cliches and generic slogans (against militarism, Yankee imperialism, the oligarchy, multinational oil corporations, foreign capital, privatization, etc.) we have not heard a single proposal that would suggest to us that they have a specific, viable, credible agenda for Colombian society.

Their pathetic lack of ideas and suggestions came to the fore during the long months of talks in Caracas and Tlaxcala, where the Guerrilla Coordinator failed to offer a single proposal that would set the stage for serious negotiations. It is also true that the 1991 constitutional reform left them without major arguments. Their petrified discourse about the closed, cliquish nature of Colombian democracy was laid to rest by the many political guarantees, social rights, and minority protections that the new constitution established.

But unlike the M-19, EPL [Popular Liberation Army], PRT [Revolutionary Workers Party], CRS, Quintin Lame, and other armed groups with some political vision, the FARC [Revolutionary Armed Forces of Colombia] and the ELN [Army of National Liberation] never understood or even wanted to understand the profound institutional change and democratic opening that the Constitutional Convention represented.

History passed them by. They were left without arguments or proposals. But they held on to their weapons and to the cool millions that they make from kidnapping and extortion. And now they want to make themselves felt in the election campaign in order to demonstrate that they still count, that they are still interested in politics. And there they are, engaged in the only thing that they know how to do.

There is talk that the guerrillas are conducting their kidnapping campaign to soften up the political class and build a future negotiating base. But this brings us back to the same point: To negotiate what? On what conditions and with what proposals?

The guerrillas in Central America undertook negotiations. They had suggestions and proposals and showed that they were indeed interested in putting down their weapons and were not addicted to violence or corrupted by money.

In Mexico, the emergence of the so-called Zapatist Liberation Army might make the ELN and FARC believe that the armed struggle is indeed still valid. But the emergence of this group was due to the specific conditions of backwardness and oppression besetting the Indians in Mexico's poorest province, and it is striking a responsive cord nationwide by questioning a political system (one that is indeed closed and cliquish) in which the same party has held power since the days of Emiliano Zapata.

Commander Marcos, who has turned out to be something of a poet as well, has already declared that the talks with the government "are on the right track" and has expressed his desire to arrive at a just solution and lay down his arms.

He is thus not trying to perpetuate the armed struggle or turn it into a profession or lifestyle, as the Colombian

guerrillas are, by all indications. Unable to accept the rule of law, set their weapons aside, and embrace the dynamic, changing realities of a country that has left them behind, the FARC and ELN want to show that they still count for something by disrupting the elections as much as they can.

They are not going to succeed in preventing elections from being held anywhere in the country, except in some isolated village. They have neither the military might nor the political credibility to do so. This does not mean that they cannot create serious disruptions, as they are in fact doing with their rash of political kidnappings.

There is no way, though, to guarantee that the State can protect the thousands of congressional hopefuls, nor can the Armed Forces prevent the guerrillas from blowing up checkpoints or staging ambushes. An attack on a toll station guarded by women is hardly a show of military might, as General Adrada rightly pointed out in recent days.

But there are likely strategic targets that could be better protected. Electric power plants, for example, or communication pylons like the one that they blew up on Monday in Cerro de Guasca, cutting off contact with that region of Cundinamarca.

If the past election campaign was marked by the atrocities of the narcoterrorists, with a macabre death toll of three presidential candidates, this campaign will bear the stigma of guerrilla violence.

This seems to be the tragic fate of a country with a democracy that is permanently under fire. But nothing lasts forever. Colombia has already put the nightmare of narcoterrorism behind it. And although it may take somewhat longer, Colombia will also cast off the yoke that the guerrilla criminals are endeavoring to impose on it.

Pastrana Discusses Use of Cusiana Reserves

94SM0272A Santa Fe de Bogota EL TIEMPO in Spanish 28 Feb 94 p 17A

[Commentary by Andres Pastrana, Conservative Party presidential candidate]

[Text] Dear Editor:

A short time ago, the president referred to the discussion of alternatives for managing the income from the Cusiana reserves as "the debate of the decade." I think the term is appropriate, and I agree with EL TIEMPO on the need for the presidential candidates to take a stand on this issue, which, in the coming years, will have an impact on the Colombian economy exceeded by few other issues.

In my case it is easy, because when I prepared the economic program that I have submitted to Colombians for their consideration, I examined the matter carefully, from the point of view of its implications for the balance of payments and the budget, and of course its social ramifications. Since I have decided not to make any promises I am not capable of fulfilling for the country, in preparing the social investment and infrastructure programs we were especially careful to incorporate a realistic projection of tax revenues, which would not have been possible without expressly considering the strategy for managing Cusiana revenues.

This is a complex issue, and it would be absurd to try to cover all of it in a commentary of reasonable length. But Colombians know that in this, as in all matters, the crux is that the person who aspires to set the course of the country in the future must have mental clarity and the ability to put together top-flight technical teams. There are a few points that I would like to emphasize regarding Cusiana at this initial juncture.

Above all, Colombia's economy is already of a size that the additional revenues that can be expected from an oil boom like Cusiana are shocking only to those whose natural tendency is to see a problem behind every solution. The total net foreign-exchange income from Cusiana will depend a great deal on the volatile price of petroleum, but it is unlikely that the figure will exceed $3.5 billion a year in 1997. By that time, if Colombians decide in 1994 to stay the course set by President Gaviria's government, we will have a country with an annual production of about $75 billion, and with annual two-way trade amounting to some $25 billion per year.

Although in that case Cusiana will not be too big for the country, the income from the exploitation of our subsoil will provide us with a magnificent opportunity to accelerate our growth even further and to make the final leap toward development, toward a much more just society than the one we have now. Obviously, that will require careful management, especially in terms of the quantity and quality of public spending by the nation and by the territorial entities. There are examples of many countries that regressed and even collapsed because of a mismanaged oil boom.

I know that many Colombians are concerned about the possibility that, as a result of the abundance of dollars flowing in from the sale of Cusiana oil, there will be a huge revaluation of the peso that will make the situation intolerable for exporters and for those who compete with imports. Few people, however, are yet aware that this unfortunate outcome would be almost certain in an economy more closed than the current one, which is what some candidates are still dreaming of.

To be sure, Cusiana will increase our supply of dollars, but the schemes some have put forth to "safeguard" or freeze the funds would make sense only as very temporary mechanisms. A country like Colombia that has so many needs and so many great possibilities should aspire to have a president who will take the lead and make sure that these additional resources will be used properly in

his administration; not a president who, like the negligent and wicked slave in Matthew's parable, would merely bury in a vault the talents that the Lord gave him.

Naturally, the economy has a limited absorptive capacity in the short term, and any spending beyond that level would only lead to inflation or wasted resources. For this reason, it is not enough to try to invest these resources well; the great challenge lies in modernizing the entities that are to carry out the investments, developing efficient mechanisms such as concessions for construction projects, and fighting corruption head-on.

The only way that these resources can be used properly without requiring us to give up other Colombian exports, out of fear of a foreign-exchange bottleneck, is to implement a broad program to stimulate private investment for agricultural and industrial modernization, complemented by a realistic infrastructure investment plan. This, of course, would include the social infrastructure, represented by the great education and potable water program that I have proposed to the country.

Andres Pastrana Arango Bogota

EL TIEMPO Publishes Document on Havana Meeting

PA2503191394 Santa Fe de Bogota EL TIEMPO in Spanish 20 Mar 94 p 19A

[Unattributed article: "The Document of the Summit in Cuba"]

[Text] The presence and meeting of guerrilla leaders in Havana, including the participation of Bishop Nel Beltran, during the Fourth Latin American and Caribbean Summit for Solidarity and Self-Determination of the Peoples, not only emerged as a revelation from the accounts of witnesses to a ranking state official, it is also set forth in writing in an intelligence report.

EL TIEMPO obtained this document as the last piece of confirmation of its information sources, who met with ranking officials and consulted firsthand sources. Contrary to what the sources said, the document does not mention Ivan Marquez as having participated in the summit, but does confirm other reports already published by this newspaper.

The original source of the intelligence document is precisely a ranking, reliable official in the state secret service. "This is what military intelligence knows about the summit in Cuba," the source told EL TIEMPO. This is why this paper attributed the document to the Armed Forces intelligence service.

Yesterday, however, in a fax sent at 1011 to EL TIEMPO, Brigadier General Fernando Tapias Stamelin, chief of the D-2 Intelligence Department of the Armed Forces, explained that the document had not been issued by the military intelligence service.

On Friday, during a brief talk with journalists, Army Commander General Hernan Jose Guzman said the report "did not emanate from military intelligence." EL TIEMPO published the letter from General Tapias and a copy of each page of the report today:

Doctor Hernando Santos

Director, Newspaper EL TIEMPO

Santa Fe de Bogota.

Page 31 of the respective 18 March 1994 edition of the newspaper EL TIEMPO, in a four-column report entitled "Military Intelligence Knew About the Summit," mentioned a restricted three-page report, which allegedly emanated from military intelligence. According to the article "the details of the unique summit appeared one by one, and, of course, there was mention of the presence and participation of Monsignor Nel Beltran in the Havana summit. In five paragraphs and two subparagraphs, the military intelligence services briefly mentioned how much they knew about the participants in the meeting.

After the Army, Navy, and Air Force intelligence directorates, which comprise military intelligence, were consulted, all affirmed that the document cited in the article does not coincide with any report issued by the aforementioned agencies and, therefore, could not have been released to any journalist.

Yours truly,

[signed] Brig. Gen. Fernando Tapias Stamelin

Chief of the D2 Intelligence Department of the Armed Forces

[The following report appears alongside the previous letter, enclosed in box format, with the word RESTRICTED at the top and bottom of each of the three pages of the report]

[Page 1]

Latin American and Caribbean Meeting for Solidarity, Self-Determination, and Life of the Peoples, held in Havana (Cuba) between 26 and 28 January 1994.

Havana (Cuba) PCC [Communist Party of Colombia], FARC [Revolutionary Armed Forces of Colombia], ELN [Army of National Liberation], and the EPL [Popular Liberation Army]—The "Fourth Latin American and Caribbean Summit for Solidarity and Self-Determination and Life of the Peoples," which was attended by PCC members and subversives of the FARC, ELN, and EPL was also attended by insurgents from 35 Central and South American countries, including members of the Mexican Zapatist movement, the Salvador Farabundo Marti National Liberation Front, and the Tupac Amaru Revolutionary Movement of Peru. Those in attendance included:

1. ALBERTO GUTIERREZ BERMUDEZ—Alleged head of a FARC column, who read a communique by the

Colombian subversive groups at the meeting. He has been living in Havana for two months in Apartment No. 2, Building D-3, Zone-7 Alamar in eastern Havana. Other subversives of the ELN and EPL also live in this building. Together with other individuals from Central and South America they receive subversive training at the international aid camp "El Caimito" located in the vicinity of Havana.

2. IVAN ROMERO and JORGE ORTEGA—Members of the Central Committee of the PCC and officials of the CUT [United Workers Confederation] who cooperate with the FARC, supplying it information on security organizations and persons who can be kidnapped in the middle Magdalena region and Santander.

3. HERNANDO VILLATE—Physician, sergeant-at-arms of the PCC, who in his speech criticized the Colombian Government with regard to human rights violations.

[Page 2]

4. JAIME CAICEDO TURRIACO—PCC president.

5. LUIS EFRAIN VILLAMIL—PCC member.

6. ALBERTO SANGUINO—Colombian worker youth.

7. CAMILO CASTELLANOS—representative of the Cinep [Center for Research and Public Education].

8. MARIO GIRALDO VELEZ—for the Trotskiyite Posada Communist Party.

9. HERNAN DARIO CARDONA—president of the Community Federation.

10. ALFONSO ROMAN—of the Socialist Renewal Movement.

11. TERESA QUINONES—of the International Women's League for Peace and Liberty (IMPAL).

This meeting carried out a campaign to discredit Colombia, basing itself on the alleged abuses and violations of human rights by Colombian authorities. To this end, members of the "Group of Peoples Organizations of the Dominican Republic" collected signatures among the participants, denouncing tortures and mistreatment to which Dominican prisoners are allegedly subjected to in Colombia. Apparently AIDA ABELLA coordinated training for the members with the FARC.

[Page 3]

The Colombian subversives who travel to Cuba do not use visas. They board a plane in Caracas or Cancun, using the Viasa or Adeco airlines, on the Buenos Aires-Caracas-Cancun-Havana route. They enter Cuba with a "tourist card" given to them by the Caribbean representatives, Asisturis or Asertur, of which RICARDO BALLESTEROS ALFONSO and JOAQUIN AMARIS AMARIS, PCC members, are co- owners. This is how GUILLERMO LEON SAENZ VARGAS (alias Alfonso Cano) of the FARC and LEONEL PARDEO of the EPL traveled to Havana on 25 January to meet on 26 January with Father Nel Beltran, FIDEL CASTRO, and other unidentified persons with the intention of defining a strategy to exert pressure through organizations such as Amnesty International and human rights organizations so that the national government will establish a dialogue with the guerrillas, based on a bilateral cease-fire.

El TIEMPO Retracts Reports on Guerrilla Summit in Cuba

PA2803011294 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 27 Mar 94

[From the "NTC News" newscast]

[Text] The newspaper EL TIEMPO today admitted that Father Nel Beltran was not in Cuba, and the people of Sincelejo are glad that their parish priest's name has been cleared.

[Begin recording] [Unidentified reporter] As for the accusations leveled by certain media against the church, as well as a campaign to discredit it, Monsignor Nel Beltran Santamaria today said he forgives his enemies, adding that he does not harbor any feelings of bitterness, resentment, or revenge.

[Beltran] Let us seek the truth. I especially urge the media to seek the truth. Let us speak the truth. Truth will make us free. Truth is light. Death is only present in darkness.

[Reporter] The bishop today said at the public square in Sincelejo that never before in his long career as bishop had he had enemies within or outside the church. The monsignor urged his parishioners to pray for those who accused him of having participated in a guerrilla summit. Evil is not stronger than good, monsignor added. [end recording]

Meanwhile, Prosecutor General Gustavo de Greiff today clarified his office's position regarding the case of the bishop being in Cuba:

[Begin recording] [Reporter] De Greiff said this morning that his office has never been deceived. He explained that the Prosecutor General's Office has evidence—evidence that includes testimonies and documents—which proves a church representative was involved in a guerrilla summit in Havana, Cuba.

[De Greiff] Whether I should recant is not an issue here. The Prosecutor General's Office cannot base its opinion on anything but the evidence it has. As I told you, we have such evidence. Nevertheless, the evidence countering this evidence is respectable. We will have to compare their evidence to ours. As for the case of the bishop, we have decided that this not our responsibility. [end recording]

De Greiff also said his evidence will have to be compared with the evidence of other investigative organizations to determine which is genuine. Meanwhile, the Prosecutor General's Office said Bishop Nel Beltran is not the person in question, as has been claimed from the very beginning.

[Begin recording] [Reporter] Is it necessarily Nel Beltran?

[De Greiff] Not necessarily. One piece of evidence involves a priest. Like I said, this is only one piece of evidence. The integrity of this evidence has yet to be determined. [end recording]

After comparing all of the evidence, the Prosecutor General's Office will present documents to the Ecclesiastical Tribunal, the organization in charge of investigating church representatives. [end recording]

Negotiations Stall on Cuban Oil Sales

PA2603000594 Hamburg DPA in Spanish 1734 GMT 22 Mar 94

[Text] Santa Fe de Bogota, 22 Mar (DPA)—Juan Maria Rendon, president of the Colombian Petroleum Enterprise [Ecopetrol], today disclosed that the announced daily sale of between 15,000 and 20,000 barrels of oil to Havana is in doubt because of Havana's failure to offer payment guarantees.

The official said negotiations on the oil sales stalled after Cuba proposed to make its payments contingent on its sugar sales, something that could represent problems for Colombia if Cuba encounters problems in its sugar trade. Rendon said the Colombian Government is demanding the oil sales be backed by letters of credit from major international banks, something Havana apparently has not considered.

The announcement on the sale of oil produced serious protests among Cubans exiles in Miami, whose most radical sectors have proposed boycotting Colombian products exported to Florida.

Meanwhile, Colombian political sectors have asked the Gaviria administration to reconsider its diplomatic relations with Cuba after the media disclosed the holding of a "summit" in Havana in which several guerrilla leaders and a Catholic bishop allegedly participated. According to media reports, it appears the meeting took place between 23 and 28 January with the presumed consent of Fidel Castro's government. This is why the Colombian Government asked for an explanation of the matter in a diplomatic note signed by Foreign Minister Noemi Sanin. The Cuban Government denied that such a "summit" was ever held. In turn, Colombian Government Minister Fabio Villegas said, "we have to believe" Cuba, and he ruled out the possibility of breaking relations.

Diplomatic relations between Santa Fe de Bogota and Havana were reestablished in October after having been suspended for 12 years. Former President Julio Cesar Turbay (1978-82) broke off relations after intelligence reports indicated Colombian guerrillas had been trained in Cuba.

Ecuador

Government Switches Support to Gaviria for OAS Post

PA2503173194 Madrid EFE in Spanish 1704 GMT 25 Mar 94

[Text] Quito, 25 Mar (EFE)—The Government of Ecuador announced today that it will vote for Colombian President Cesar Gaviria for OAS secretary general, and not for Costa Rican Foreign Minister Bernd Niehaus, whom it had promised earlier to support.

The announcement of the vote change at the OAS is included in a brief, two-paragraph communique issued this morning by the Foreign Ministry.

Paraguay

Government To Vote for Gaviria in OAS Election

PY2503184294 Asuncion ULTIMA HORA in Spanish 25 Mar 94 p 21

[Excerpt] Foreign Minister Luis Maria Ramirez Boettner will travel tonight to Washington to participate in the OAS assembly on 27 March. During the course of the assembly a new secretary general will be elected to replace Brazilian Joao Clemente Baena Soares.

Foreign Ministry sources have reported that the foreign minister will, in the name of the government, vote for Colombian President Cesar Gaviria Trujillo. [passage omitted]

Peru

Fujimori Notes Sorrow Over Colosio Death; Envoy to Ecuador Not Recalled

PY2503143194 Lima Global de Television Network in Spanish 0300 GMT 25 Mar 94

[Text] In remarks to journalists President Alberto Fujimori has expressed his sorrow over the assassination of the Mexican ruling party's presidential candidate, Luis Colosio.

The president also stressed that his administration supports Peruvian Ambassador to Ecuador Eduardo Ponce, trusting that the events that have developed in that nation will not damage bilateral relations.

[Begin recording] [Fujimori] Really, this is a regrettable criminal action. We, as Peruvians, as friends of the Mexicans, express our condolences, our deep sorrow, over the assassination of the PRI [Institutional Revolutionary Party] candidate. We also hope that this despicable action will be investigated and that, in this painful situation, Mexico will be able to resolve it.

[First unidentified reporter] Mr. President, there is a...

[Second unidentified reporter, interrupting] Will your administration decide to recall our country's ambassador to Ecuador following all the problems caused by a poll?

[Fujimori] Relations between Peru and Ecuador have always been maintained, and are being maintained, at the best possible level. There have been some circumstantial events that could be misinterpreted, but which do not detract from this high level of trust between Peru and Ecuador. I believe Peruvian-Ecuadoran friendship and fraternity go beyond any such circumstantial events.

This represents a denial of recent reports that Peru will recall its ambassador. Our relations are being handled smoothly. There is direct communication at the Foreign Ministry's top levels. He has not been recalled. I deny that Ambassador Ponce has been recalled.

I am sure that, on the Ecuadoran side, there will be a good spirit of understanding of these situations that must not tarnish our relationship. Therefore, all possible efforts, as our policy has been... [end recording, in progress]

Judicial Reform Organization Described

PY2303214094 Lima EXPRESO in Spanish 12 Mar 94 p A6

[Article by Victor Andres Ponce—part one of three]

[Text] The Supreme Court has 18 justices distributed in two civil courts and two criminal courts. Regarding the higher courts, there are 249 judges distributed in 20 superior courts.

According to experts, the most urgent problems of judicial reform are not at those levels. In fact, according to the new charter and the Judicial Branch Organic Law, the Supreme Court will have less work because it will no longer be the last resort but only a court of cassation. In other words, it will review the request of the party that the process follows the established rules without making judgment on the sentences. The superior courts (court of appeal) will now become the last resort.

A judicial branch executive council source said the appeals court does not require so many courts, but rather a high specialization of verdicts. Therefore, the main problem at this level would be the judges' qualification and specialization.

Anyway, there is a deficit in solving cases. In 1993, Lima's civil courts did not resolve 25 percent of the cases. Regarding criminal courts, only 10 percent of the cases were unresolved.

Also, according to the requests received by the Executive Council for the creation of courts and appeal courts that were not fulfilled, there is a shortage of 25 to 30 percent of judges in the entire country.

Shortage of Judges

It is at the lower court level where the shortage of judges and the judicial system's bad organization are clearly seen. According to figures provided by the judicial branch personnel directorate, there are 563 lower court judges at the national level among the civil, penal, juvenile, labor, and mixed courts. According to studies by the Inter-American Development Agency (AID) in coordination with Catholic University based on an agreement with the judicial branch, if the existence of 184 provinces in the country is taken into account, and 381 civil, penal, and mixed courts, it can be said that there is an average of two lower courts per province (the main demand for justices is in the criminal and civil courts).

Is There a Shortage of Criminal Judges?

Of the 381 judges, 187 are criminal judges. If we take as a point of reference the number of inmates who have not received sentences yet, we would conclude that the number of judges is highly insufficient. In the penitentiaries, 75 percent of the inmates are not sentenced. Sometimes they wait several years before they are found innocent. Only 25 percent of the cases are resolved.

But there are exceptions: In the Arequipa judicial district, unsentenced inmates reach 50 percent. An investigation should be made to find out why it is more efficient.

In a Catholic University poll of Lima criminal judges, the majority said they had from 100 to 2,000 cases, with an average of 550. In answer to a question on how many cases were appropriate for efficient work, an average of 250 was given.

If a comparison is made of this alleged ideal number of cases per judge with the average number of cases for each judge, the conclusion is that the number of criminal judges in the lower courts should be at least doubled.

The difference found by the poll is also the result of the shift of judges on duty that can lead to corruption, because one filing a lawsuit can choose "his judge." The experts' proposal is to assign a fixed number of judges per shift. This could be changed according to the process' complexity.

Effects of Penal Legislation

There are factors other than the number of judges. One of them is indiscriminate laws. For example, Congressman Cesar Fernandez Arce maintains that the antidrug trafficking law does not establish any difference between a drug "pusher" and the chief of a drug trafficking gang, consequently crowding prisons in the jungle region. This is why the judicial branch Executive Council has decided to present draft bills reforming the antidrug law and to apply the new Penal Procedural Law in order to reduce the amount of defendants by 75 percent in the whole country.

Effects of Informatics

The executive branch has implemented a pilot program in the Second Lima Penal Court with the help of U.S. organization AID and the judicial branch.

The contrasts were evident the day we visited that courthouse: Unlike other courthouses, there was no crowding of people and there were no mountains of files on the tables.

A secretary informed us that the proceedings' computerization has expedited the work because files, decisions, and proceedings are in a computer file. However, the secretary added, given the lack of trained administrative personnel, the secretaries (of which there are two in each court) are the ones responsible for feeding the files into computers, a procedure that overloads them with work.

The computerized service's results are nonetheless evident because the average number of sentences issued by Lima courts during 1993—according to the Lima Appellate Court—was 18 per month. In the case of the Second Lima Penal Court it was 36. This result shows that the procedures' computerization can double a judge's productivity.

Effects of the New Procedural Law

The new Penal Procedural Law takes effect 20 May if its implementation is not suspended again for the fourth time. The main new provision established by this new law is that an inquiry's commencement and procedures, besides the indictment procedures, must be made by the District Attorney's Office.

The courts must determine the acquittal or not of the defendants and issue sentences. In other words, the penal courts would be relieved of long inquiries and will pass sentences.

According to the current law procedure, in cases of oral trials a penal court commences an inquiry and presents its findings to an upper penal court (second instance). In case of petty crimes, summary trials—in which the same judge carries out the investigations and issues a sentence—are held.

"It is, therefore, very different to hear an average of 550 trials under the current Penal Procedural Law than to hear them under the new law under which the inquiry is already completed," states legal expert Carlos Rivera from the Institute for the Defense of Law.

The Judicial Branch Inquiry Center presided over by Roberto Alvarez believes the number of judges in Lima is enough to apply the new Penal Procedural Law.

"The problems, however, will be transferred to the district attorney," Rivera states. It has been learned that the postponement in implementing the new Penal Procedural Law is due to the prosecutors' inability to carry out the new procedural duties.

"If the new law were applied all of a sudden all the cases would be delayed because reorganization takes time," Rivera said.

Attorney General's Office Will Need More Prosecutors

The question now is whether the public prosecutor offices are either prepared or if they have enough personnel to carry out the inquiries.

Under the current system the Attorney General's Office must present the charges in defense of the interests of society. In order to comply with this objective, there exist almost 700 public prosecutors assigned according to the amount of lower and upper courts (mainly penal courts) in the judicial branch.

Each penal court has one provincial prosecutor.

In the case of upper penal courts, there are appellate court prosecutors, who in turn have assistant prosecutors.

On top are Supreme Court prosecutors, who are organized according to Supreme Court sections. There are five sections (two penal, two civilian, and one constitutional court); therefore, there are five supreme prosecutors.

Fiscal Attorney Influences?

Generally speaking, the Attorney General's Office never had problems fulfilling its duty of raising formal charges because it never conducted investigations. In the Peruvian tradition, the majority of crimes handled by the Attorney General's Office have previously been investigated by police precincts or stations. Moreover, attorneys usually do not probe the investigation or contradict what is reported by police.

But what will happen when the Attorney General's Office is assigned to conduct the pre-trial inquest as it should be?

If we take into account that according to the aforementioned report, 75 percent of penal cases are neglected and (if the procedural law codes are not computerized and amended), it is obvious that the Attorney General's Office will be unable to meet the demand with its current personnel.

To clarify this statement we also must take into account the time needed to conduct a pre-trial inquest with the current penal judges and compare the working conditions of the provincial attorney general's offices with that of the courts.

If we take into account that according to Apoyo the indictment procedure currently conducted by the Attorney General's Office takes an average of 80 days and the pre-trial inquest conducted by penal court judges takes an average of 286 days, we will have an idea of the number of new provincial attorney generals that must be appointed so they can fulfill their new duties.

Working Conditions in Attorney General's Office

It is the provincial attorney general's offices—which are associated with the first instance courts—that will be in charge of conducting future pre-trial inquests.

Each provincial attorney general's office has three "technical experts" (who are generally either law students or law school graduates) and an administrative worker who is in charge of the dispatches.

If we compare the personnel assigned to a provincial attorney general's office with that of a penal court—which has one judge, four counselors, and two administrative secretaries—the differences are obvious. It is not only a quantitative but also qualitative difference because the majority of courts secretaries are lawyers and assist the judges with their professional expertise.

There is no need to explain that because of the current number of attorney generals, the infrastructure, and the personnel on hand, the penal courts will take far more than the 286 days they currently take for summary proceedings, and this will weaken the penal justice situation even further.

This is such an obvious fact that the enforcement of the new Penal Procedure Law has been postponed three times solely for this reason.

Experts assert that to assume its new responsibilities, the Attorney General's Office needs to increase the number of attorneys, improve its infrastructure, and increase its personnel. An Attorney General's office member said: "Each provincial attorney general must have at least three attorneys."

Conclusions

Should the situation remain the same, that is, if the current Penal Procedure Law continues to be enforced and the courts are not computerized, it is obvious that in Lima alone the number of judges should double. If the ideal number of cases per judge is 250, this conclusion is obvious.

With the new Penal Procedure Law and computerized courts, the processes are expedited and judges will double their production. A judicial branch Executive Council member said: "If this is the case, we will be forced to reduce the number of judges." The problem, however, does not disappear. It is simply transferred to the attorneys.

As for the Attorney General's Office, by reviewing the current figures, it can be concluded that the enforcement of the new Penal Procedure Law will only be feasible if the number of provincial attorneys is increased threefold. Moreover, each attorney must have an assistant who must be a law school graduate. The number of assistants needed may be reduced by half if the attorneys' offices are computerized.

Labor Union Leader Says U.S. To Postpone Sanctions

PY2503184094 Lima LA REPUBLICA in Spanish 16 Mar 94 p 7

[Excerpt] If President Alberto Fujimori's government does not amend regulations that harm the Peruvian workers by June, the U.S. Department of Commerce will eliminate the preferential tax system for non-traditional goods which will represent a loss of $300 million for Peru.

This announcement was made by Teodulo Hernandez, secretary general of the CGTP [General Confederation of Peruvian Workers]. He said the U.S. Department of Commerce has suspended until June the implementation of sanctions against Peru for systematically violating 16 workers' rights recognized by the International Labor Organization [ILO].

Hernandez said that the implementation of sanctions was postponed at his request, in his capacity as highest representative of the Peruvian labor union, to the U.S. Department of Commerce in Washington.

Hernandez said: "We have given President Alberto Fujimori's government time (104 days) to eliminate the articles of the labor law that violate the Peruvian workers' rights and liberties."

Moreover, he demanded the resignation of Labor Minister Augusto Antonioli and of Ricardo Marcerano, CCD [Democratic Constituent Congress] Labor and Social Security Commission president, who are regarded as responsible for the possible sanction.

Hernandez recalled that in June 1992 the CGTP and other Peruvian labor unions reported the systematic violation of workers' rights in Peru to the ILO.

The labor union leader said: "The final ILO report questioned 16 articles of the labor law. Moreover, the American Federation of Labor of the United States acknowledged this report and submitted it to the U.S. Department of Commerce."

Hernandez explained that, in his capacity as CGTP leader, he and other leaders visited Washington between 9 and 11 March to explain to the U.S. authorities the current situation of the Peruvian workers as a result of the laws enacted by Fujimori's government. [passage omitted]

Armed Forces' Participation in Drug Enforcement Viewed

PY2503230194 Lima LA REPUBLICA in Spanish 16 Mar 94 p 12

[Article from the "Farewell to Arms" column by Carlos Tapia: "The Armed Forces and Drug Trafficking]

[Text] According to drug experts, 600 metric tons of cocaine base currently are manufactured in Peru. Less

than 5 percent of this immense amount of drug was seized and destroyed in 1993 despite the Armed Forces joining the fight to eradicate this scourge.

Powerful international market forces have consolidated a demand that pressures—in the face of the lack of real and competitive alternatives, besides many other factors—humble coca-producing peasants who have gradually become cocaine base producers.

Given the business' illegal characteristic, the "firms" and organized gangs that stock cocaine base and transport it either domestically or abroad are the ones that obtain the greatest percentage of the "added value." This is so because the risk of transporting this particular kind of merchandise to Colombian laboratories where it is transformed into cocaine hydrochloride is very big.

This business requires armed groups for protection and for administering an efficient and modern corruption network at all levels. The latter is much more important than the former to ensure the business' success. That is why new "clandestine" airports are opened as soon as others are closed down.

The solution to this problem has social aspects and presupposes very large financial investments. It also requires efficient and intelligent police repression. But no matter how you look at it, there is no justification for military intervention in drug enforcement.

If the power of drug trafficking to finance terrorism has been clearly established, it is senseless to allow—now under the current situation of subversion—the Armed Forces to assume the main responsibility for fighting this scourge in the drug trafficking zones.

The risks are very big and the consequences very serious. Once I heard a high-ranking Army officer commissioned to the Huallaga Front say: "...my officers go out with very high morale; they are willing to confront the subversives and fight under the most difficult conditions, but I am not sure they can resist an envelope with $10,000."

The case is that if a battalion officer engages in criminal actions, he is interested in involving other soldiers to ensure their silence and avoid sanctions. A wrongly understood comradeship could end in complicity.

Those who do not accept such complicity can be the object of arbitrary sanctions or persecution by other officers involved in drug trafficking. There are also many other honest officers who do not accept getting involved but prefer to remain silent in order to avoid problems.

The case of "Vaticano" has negatively affected the Armed Forces' image, especially the Army. Why must the Armed Forces continue doing a job that strictly pertains to the police? Would it not be better to look for another Ketin Vidal [police officer who arrested Shining Path leader Abimael Guzman] to fight drug trafficking?

Joint Command Report Describes Anti-Terrorist Strategy

PY2503234494 Lima EL PERUANO in Spanish 17 Mar 94 p A3

[Text] According to Joint Command information, between June 1992 and February 1994 the Armed Forces and National Police [PNP] arrested a total of 7,667 members of the Shining Path [SL] and Tupac Amaru Revolutionary Forces [MRTA].

The number of SL and MRTA terrorists arrested between June 1992 and December 1993 amounts to 6,300, which shows the effectiveness of the anti-terrorist strategy implemented by the government because in only 18 months the security forces arrested more terrorists than during the previous 12 years: Between 1980 and 1991 a total of 5,403 terrorists were arrested.

So far this year, during January and February, the number of arrested SL and MRTA terrorists amounts to 1,367.

Moreover, according to statistics from the Special Prosecutor for Terrorist Crimes, 4,099 terrorists have benefited from the repentance law (Decree Law No. 25499), promulgated in May 1992.

The new anti-terrorist law, which has been in force for more than 18 months, has allowed the trial of 1,104 terrorists, a significant number compared to the 1981-1992 period during which 576 rulings for terrorist crimes were passed down.

The military court has sentenced 451 terrorists for treason, of which 288 were sentenced to life imprisonment. Civil courts sentenced 653 individuals for terrorist actions, 19 of whom were sentenced to life imprisonment.

The Armed Forces Joint Command disclosed that during the past 14 years 26,000 Peruvians died as a result of terrorist actions. Of this total, 2,075 were members of the Armed Forces and PNP.

The number of terrorist actions dropped noticeably in 1993. Only 1,306 terrorist actions were registered last year while 2,049 were registered in 1992.

According to official reports, the harsh blows struck by the security forces against the Shining Path have caused it to reduce its activities throughout the country.

In view of the effectiveness of the military and police operations, the terrorist groups' morale is quite affected and this has brought confusion and uncertainty to their actions. This has resulted in many desertions as well as a considerable number of terrorists who have repented.

Currently there is a leadership struggle in the SL, and its committees lack coordination, which has prompted many SL members to perpetrate common crimes and get involved in drug trafficking.

The crisis affecting the SL is worsened by the arrest of its central committee members as well as the neutralization of its propaganda apparatus abroad.

The MRTA's situation is similar. Eighty percent of its leadership is being held under arrest in high-security prisons while 85 percent of the so-called Popular Revolutionary Army has been fully dismantled.

The MRTA also has serious organization and leadership problems as well as logistic and economic difficulties that have prompted an incredible number of its members to defect. Many of its members have deserted and are now stealing, carrying out holdups, or are involved with drug traffickers.

Currently, MRTA's actions are only sporadic and isolated because of the lack of coordination between its regional committees. MRTA's morale is also very low and its members benefit greatly from the repentance law.

Lima Municipality Lacks Funds for Salaries, Services

PY2503171794 Lima EXPRESO in Spanish 17 Mar 94 p A14

[Excerpt] Ivan Dibos, deputy mayor of the municipality of Lima, on 16 March warned of the lack of economic resources needed to pay the salaries of the municipality's employees and for public sanitation services in Cercado District.

He added that this problem must be resolved by the central government, taking into account that it affects the public and that the problem was created by the government when it implemented Legislative Decree No. 776, which pruned the municipality's tax benefits.

Dibos indicated that this month (March) it will be very difficult to cover the employees' payroll, which amounts to some 4.5 million new soles.

He stated that the estimated deficit amounts to 60 million new soles per annum. "The problem is very serious, and we do not have the resources needed to pay employees' salaries," he said. [passage omitted]

Roundup of Economic Reports

PY2403220994

[Editorial Report] The following is a compilation of reports on economic activities in Peru monitored through 24 March.

Eurobonds have become a good alternative for Peruvian companies that need to obtain financing without paying the high interest rates charged by the local financial system. Companies must pay those who buy the bonds an average interest rate of 8 to 10 percent per year to obtain the disbursement almost immediately. The Arias Group's La Poderosa mine was the first company to issue Eurobonds. It obtained a 10.75 percent profit in one year from the sale of $6 million worth of Eurobonds issued in December 1993. The Rodriguez Banda Group's Gloria company and the Tele2000 company will issue $40 million each in Eurobonds in March. (Lima EXPRESO in Spanish 9 Mar 94 p A24)

National Mining Association President Roque Benavides Ganoza expects the mining sector to attract $7 billion in investment in the next five years. (Lima EXPRESO in Spanish 12 Mar 94 p A26)

After six years, the French Government has decided to renew trade guarantees for Peruvian exports to France. The French Insurance Company for Foreign Trade has guaranteed short-term exports valued at approximately $3.5 million, which could grow to $9.5 million in 1995. (Lima EXPRESO in Spanish 11 Mar 94 p A24)

A Mining and Energy Ministry source reported that gold production increased 12 percent in 1993, after the Yanacocha mining processing plant began operation. Production totalled 57,603 troy ounces in January, 6 percent more than in the same month last year. (Lima EL PERUANO in Spanish 11 Mar 94 B1)

The Central Reserve Bank's net international reserves reached a record $3.46 billion through 18 February, an increase of $260 million compared with the previous week. (Lima EL PERUANO in Spanish 11 Mar 94 p B2)

On 15 March, the Mining and Energy Ministry reported that average oil production was 130,763 barrels per day in the January-February period, higher than the same months in 1993 when it was 123,440 barrels. The ministry expects average oil production in 1994 to be 132,000 barrels per day. (Lima EL PERUANO in Spanish 16 Mar 94 p B3)

The Andean Development Corporation approved credits of up $140 million for Peru. They will be used to implement programs for small enterprises and highway development projects. (Lima EL COMERCIO in Spanish 16 Mar 94 p 1)

Japan granted Peru a $21 million loan to finance health programs. It also will donate equipment worth $180,000 for people affected by floods. (Lima EL PERUANO in Spanish 16 Mar 94 p 1)

During the 15 March congressional session, Economy Minister Jorge Camet, Agriculture Minister Absalon Vasquez, and representatives of the Democratic Constituent Congress Agriculture Committee declared that the agricultural sector has been in a state of emergency for approximately two years in the wake of floods and plagues affecting the countryside. (Lima EL PERUANO in Spanish 16 Mar 94 p B1)

Peruvian and Chilean entrepreneurs formed a joint venture for the exclusive commercialization of Volkswagen cars in Peru with an $18 million investment. The Chilean economic group Matisse will provide 40 percent of the capital and the Peruvian investors 60 percent. (Lima EL PERUANO in Spanish 17 Mar 94 p B2)

Venezuela

President Confirms Release of Coup Attempt Leader

PA2603145194 Hamburg DPA in Spanish 1329 GMT 26 Mar 94

[Text] Caracas, 26 Mar (DPA)—President Rafael Caldera made official on Saturday, 26 March, the release of the main leader of the 4 February 1992 coup attempt, Lieutenant Colonel Hugo Chavez, who during the early morning hours of today also requested his discharge from active duty, Radio Caracas Radio (RCR) confirmed today.

Chavez, regarded as the ideologue of a movement of midlevel officers who in 1992 executed two attempts to overthrow then President Carlos Andres Perez, was released after two years in jail when the president dropped the charges on the condition the officers more deeply involved in the coup attempts do not return to the Armed Forces.

According to RCR, the lieutenant colonel and other officers will create a new political organization that will be based on the military movement of the nationalist inspiration Chavez created within the Armed Forces and which received the public's support.

Chavez Released

PA2603182494 Caracas Radio Rumbos Network in Spanish 1700 GMT 26 Mar 94

[From the "Rumbos News" newscast]

[Text] As planned, Lieutenant Colonel Hugo Chavez, leader of the 4 February 1992 military uprising, was released. A large crowd came to greet him at Tiuna Fort, Valle, after the charges against him were dropped. Chavez promised to organize the Bolivarian Movement nationwide.

Forms New Movement

PA2703003294 Mexico City NOTIMEX in Spanish 2301 GMT 26 Mar 94

[Text] Caracas, 26 Mar (NOTIMEX)—Today, upon being released from prison, Lieutenant Colonel Hugo Chavez, leader of the February 1992 coup attempt, announced he will form a political organization with rebel officers. The organization will be called the 2000 Revolutionary Bolivarian Movement [Movimiento Revolucionario Bolivariano 2000—a play on the name of Chavez's military movement, the 200 Revolutionary Bolivarian Movement, which emerged during the 4 February 1992 coup attempt]. Chavez and 14 lower-ranking officers of the Venezuelan Army were released today. They were pardoned by President Rafael Caldera who is seeking reconciliation within the Armed Forces after the two 1992 coup attempts.

Dozens of supporters were waiting for Chavez when he was released at the military hospital were he had been held. He called on them to search for "the structural changes needed by the country" by forming a "wide national front." The Bolivarian Movement emerged after the 4 February 1992 military coup attempt against then-President Carlos Andres Perez on the grounds that Perez's economic adjustment policies were hurting the people. Meanwhile, thousands of other supporters gathered outside the San Carlos de Caracas military garrison to receive the 14 officres who participated with Chavez in the coup against Perez, whom they accused of being "corrupt and a traitor."

Meanwhile, in Peru, General Francisco Visconti, one of the leaders of the 27 November 1992 military uprising, announced that at least 25 officers who took asylum in that country would return to Venezuela to surrender to military justice tomorrow, Sunday. With the release of Chavez and the 14 officers, the number of people granted presidential pardons, which are part of President Rafael Caldera's so-called "pacification policy," has risen to 60. With the exception of Gen. Visconti and the 46 officers who took asylum in Peru, practically all of the leaders of the two coup attempts carried out two years ago have been released.

To Reorganize Bolivarian Movement

PA2703014694 Caracas Venezolana de Television Network in Spanish 0000 GMT 27 Mar 93

[Video report from "The News" newscast]

[Excerpts] Lieutenant Colonel Hugo Chavez Frias, leader of the 4 February 1994 military uprising against the government of Carlos Andres Perez, will reorganize the 200 Revolutionary Bolivarian Movement [MBR-200], making it a political organization that will participate in civilian life. He made the announcement upon being release from jail today, after President Rafael Caldera signed the resolution that pardoned him. [video shows wide shots of a rally and various supporters welcoming Chavez's release]

[Begin recording of unidentified supporter] Honor and glory to the courage of our commander Hugo Chavez Frias! [end recording]

From early this morning, scores of friends, relatives, and supporters awaited Chavez's release at the Defense Ministry in Los Proceres. Chavez, as you will remember, was being held at the military hospital. At about 0700 he was transferred to the Defense Ministry to proceed with his release in accordance with the presidential decree granting his pardon. [passage omitted]

When he left Fort Tiuna, Chavez tried to hold a news conference, but this was impossible because of the uncontrollable crowd. [video shows wide shots of pro-Chavez rally and supporters wearing berets, waving flags, and brandishing portraits of Chavez; video cuts to wide shots of Chavez being surrounded by supporters

and news correspondents] This time, emotions overcame reason. He announced a news conference would be held tomorrow at the Caracas Athenaeum to explain the terms under which he will introduce his revolutionary movement into the Venezuelan political arena. He also is expected to explain his position vis-a-vis the government after being pardoned and resigning from the Army.

[Begin Chavez recording] The MBR-200 is going to charge into the streets and take over political power in Venezuela. The military generation, which chose the road of sacrifice and was forged at the military installations of Fort Tiuna, will show Venezuelan politicians how to lead a nation and how to restore its true destiny. [end recording]

Lt. Col. Hugo Chavez Frias has several appointments tomorrow in Caracas. He will lay a wreath at the grave of Simon Bolivar at the National Pantheon. Early next week, he is expected to travel to his native Barinas, where he will be welcomed with full honors.

Fails To Rule Out Armed Struggle

PA2703220794 Hamburg DPA in Spanish 1828 GMT 27 Mar 94

[Text] Caracas, 27 Mar (DPA)—After spending two years in prison for a 1992 coup attempt, Lieutenant Colonel Hugo Chavez (retired) today held a news conference while surrounded by thousands of "Bolivarian" supporters. During the news conference, Chavez did not rule out the possibility of an armed struggle, and he called for profound changes in Venezuela, including an constituent assembly and economic reforms.

With the support of mid-level officers, the ideologue of the so-called 200 Revolutionary Bolivarian Movement (MBR-200) organized the first coup attempt against former President Carlos Andres Perez on 4 February 1992. Today, however, Chavez harshly criticized the government of President Rafael Caldera for his "improvised plans" to combat the crisis facing the nation, and he insisted on the need for "structural reform."

Chavez stressed his organization is political in nature, but in discussing the group's goal "to seize power," he did not rule out the possibility of an armed struggle. Any path, whether by way of armed conflict or elections, remains valid, and the choice depends on the people, he said, describing himself as a "soldier of the people."

Chavez added, "We hope for the peaceful path, but we expect profound changes." He also noted he did not regret the events of February 1992, adding that only "the sovereign" people can decide whether or not he stages a rebellion.

The news conference, which was attended by a large number of reporters, was held in a concert hall, while hundreds of people waited in the streets to greet him. Chavez indicated that one solution to keep "the people from taking up arms" would be to summon a national constituent assembly, and he went on to criticize the "politicos" and leaders of the traditional political parties.

Regarding former President Perez, who is now accused of alleged misappropriation of public funds, Chavez was skeptical that the Supreme Court would issue a warrant for his arrest, adding that he knew of "under the table" agreements by Democratic Action and the Social Christian Party to exonerate Perez.

Chavez, who has benefited from what President Caldera has described as "pacification," said peace within the Armed Forces can only by achieved through the release of those individuals involved in the two coup attempts of 1992 (4 February and 27 November).

He demanded more jobs and respect for the thousands of soldiers involved in or accused of being involved in the two coups, many of whom have joined the MBR-200, an organization that seeks to create a "great national front."

Chavez reiterated he struck no deal with President Caldera in exchange for his release, and instead he criticized the economic policies being implemented by the government that took office on 2 February.

"I hope President Caldera confronts the difficult situation in our country in a firm and forceful way," Chavez said as he answered more than 20 questions posed by reporters from domestic and foreign news media.

[Caracas Radio Rumbos Network in Spanish at 1836 GMT on 27 March carries a two-minute report that includes recorded remarks made by Chavez to supporters after his 27 March news conference had concluded. In the recording, Chavez says: "One cannot talk of retirement. Nobody is retiring here, because true soldiers never retire. We are now walking hand-in-hand with the people, and we are here to appear before the country and to summon unity around the strategic goal of transformation."]

Calls for Constituent Assembly

PA2803021394 Caracas Venezolana de Television Network in Spanish 0100 GMT 28 Mar 94

[Report by Jose Marcano from the "Sunday Wrap-Up" newscast]

[Text] Within the framework of the pacification policy being promoted by President Rafael Caldera, 34 Venezuelan soldiers who had sought refuge in Peru returned to the country on a Venezuelan Air Force Hercules aircraft today. Now, only 16 high-ranking military officers who are still finalizing the details of an agreement on their surrender remain in Lima.

Meanwhile, in Caracas, Retired Lieutenant Colonel Hugo Chavez Frias, in his second day of freedom following 26 months in prison, placed a wreath at the National Pantheon and later held a news conference at the Caracas Athenaeum. Jose Marcano filed this report.

[Begin recording] [Marcano] Commander Chavez greeted the crowd gathered at the gate of the National Pantheon before heading to the Caracas Athenaeum, where he answered all questions posed by domestic and foreign reporters.

Chavez answered the simplest to the most complex questions with poise and self-control. In terms of economics, he only made a brief analysis and criticized the eight plans implemented by the democratic administrations. According to Chavez, the Sosa economic plan does not offer alternatives for employment and investment. Politics is Chavez's priority at this time, but he said he must first resurrect Bolivarian ideology and the commitment to obtain power.

For the time being, Chavez said he will push for the convening of a constituent assembly, taking advantage of the fact the 4 February events are still fresh in people's minds. This, he said, would be the best way to enter the political scene.

Chavez explained he made no promises to Dr. Caldera's Government in exchange for his presidential pardon. He admitted there are differences among the members of the 200 Revolutionary Bolivarian Movement, and he said he will work to unify it and turn it into a political movement that defends the interests of the people, without creating a [word indistinct] structure.

[Chavez] We are ready to assist the government as much as possible. The only thing we can do is to make recommendations. For example, when we stand up and call for a constituent assembly, we are making a recommendation. I ask the government of Dr. Caldera to heed this recommendation. Instead of giving Congress constituent powers, as I believe some sectors and even the president himself have suggested, we believe this would be a mistake because those responsible for the national crisis have become entrenched in Congress.

Are we going to give them more constituent powers so they can finish destroying what we have left of our fatherland? No. Let us call the people to a constituent assembly. This is a recommendation we are making to the government. We hope the government heeds our call. If the government wants to talk to us, we are ready to talk to the government. [end recording]

Commander Chavez today presided over various activities in the western part of the capital. Tomorrow he will visit Sabana Grande Boulevard and Chacaito, and in the evening he will leave for his home state of Barinas, where he will meet with his fellow citizens.

President Caldera Pardons 10 More Officers

PA2703020894 Caracas Venezolana de Television Network in Spanish 0009 GMT 27 Mar 94

[Text] Along with pardoning Lieutenant Colonel Hugo Chavez Frias, President Rafael Caldera has dismissed charges against 10 other officers involved in the 4 February and 27 November 1992 coup attempts, all of whom were being held at the San Carlos garrison.

At 1130 today, Saturday, the 10 officers who received the presidential pardon left the old military garrison. They are: Captains Antonio Rojas Suarez, Noel Martinez, Edgar Hernandez Berens, Guillermo Blanco Acosta, Alcala Cardones, and Aguilar Gomez who participated in the 4 February coup attempt. Also released were Air Force Lieutenants Jose Baltazar Nelo and Jessy Chacon Escanilla, Captain Jose Valera Rumbos, and Army Mayor Carlos Lugo Lopez, who had taken part in the 27 November coup attempt.

Officers Return From Exile

PA2703214394 Hamburg DPA in Spanish 1747 GMT 27 Mar 94

[Text] Caracas, 27 Mar (DPA)—A group of 34 Venezuelan soldiers, including 24 officers, arrived today in Maracay, 130 km from Caracas, after having remained in Peru for more than a year. The soldiers will now have to face legal proceedings in connection with their participation in an attempted coup that took place on 27 November 1992.

The coupists arrived on board a Venezuelan Air Force (FAV) Hercules C-130 aircraft accompanied by Colonel Luis Betancourt Infante, who accompanied them under orders from the Ministry of Defense. Meanwhile, 16 soldiers still remain in Peru, including General Francisco Visconti, one of the leading participants in the attempt to overthrow former President Carlos Andres Perez.

The group of soldiers (24 officers and 10 subordinates) arrived at a military base, were taken to the Air Force Academy Headquarters, and will later be transferred by helicopter to the Army General Command in Caracas. From there they will be driven (later tonight) to the division in charge of military personnel awaiting trial at the San Carlos Garrison, also located in Caracas.

After appearing before a military court, the group of soldiers will most likely be released under the authority of a presidential pardon. This "pacification," as it has been called, was one of the campaign promises of President Rafael Caldera.

Yesterday, for example, Lt. Colonel Hugo Chavez, leader of the 4 February 1992 coup was released along with 14 other officers. Still pending is the situation surrounding those military officers remaining in Lima, including Gen. Visconti, who participated in the second 1992 coup attempt to topple Perez, which took place on 27 November.

Senate Official Condemns U.S. Congresswoman's Remarks

PA2603035294 Caracas Venezolana de Television Network in Spanish 2350 GMT 25 Mar 94

[Report by Rayma Rondon; from "The News" newscast]

[Text] The Venezuelan Senate condemns the statements made by U.S. Congresswoman Marjorie Margolies-Mezvinsky, who criticized the government of her country for exporting [as heard] Venezuelan oil, which, according to her, does not meet with environmental regulations that are applied to U.S. gasoline.

Antonio Ledezma, second vice president of the Senate, said he learned about the statements made by the U.S. representative through the national media. In this regard, he pointed out that it is in poor taste for the U.S. Congress to criticize its government for purchasing the black liquid since the United States has been purchasing Venezuelan oil for many years, even when modern technology did not exist.

[Begin recording] [Ledezma] Our gasoline is a good product, as tests and experts confirm. It contains less toxic elements, even less than the percentage that will permitted in 1995 and 1997.

[Unidentified reporter] What do you believe is behind this attitude of the U.S. Congress?

[Ledezma] It is not an attitude of the U.S. Congress. On behalf of Venezuela and on behalf of the Venezuelan Congress, I am going to condemn the statements made by this congresswoman, Representative Marjorie Margolies-Mezvinsky, who has said that our oil is dirty. [end recording]

Finally, Senator Antonio Ledezma announced that the Senate will approve additional credit to help the Government of the Federal District face the current hospital crisis.

Commerce Council President on Special Powers for Caldera

PA2703142494 Caracas Venezolana de Television Network in Spanish 2350 GMT 24 Mar 94

[From "The News" newscast]

[Text] Berend Roosen, president of the National Council of Commerce and Services [Consecomercio], has said this organization does not share the Democratic Action's position on the granting of special powers to President Rafael Caldera via the Special Powers Law.

[Begin Roosen recording] Given the principles that regulate us, we believe the Special Powers Law is inappropriate. We urge Congress to delegate duties and to work as it did with special laws when it came to aiding the banking sector. Why can't this be done for tax laws? [end recording]

Likewise, Consecomercio's representative has announced from 13 to 16 April this organization's annual Valencia Forum will be held. At this forum, during which more than 500 participants are expected, the reestablishment of suspended economic guarantees will be discussed.

In conclusion, Roosen has said he agrees with lowering interest rates, because Venezuela will go from being a bondholder economy to a productive economy.